

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

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3 CHAIRMAN

4 SANDRA D. KENNEDY
5 COMMISSIONER

6 JUSTIN OLSON
7 COMMISSIONER

8 ANNA TOVAR
9 COMMISSIONER

10 JIM O'CONNOR
11 COMMISSIONER

12 IN THE MATTER OF THE APPLICATION OF
13 EPCOR WATER ARIZONA, INC., SAN TAN
14 WATER AND WASTEWATER DISTRICTS,
15 FOR A DETERMINATION OF THE FAIR
16 VALUE OF ITS WATER AND
17 WASTEWATER UTILITY PLANT AND
18 PROPERTY, FOR INCREASES IN ITS
19 RATES AND CHARGES FOR WATER AND
20 WASTEWATER UTILITY SERVICE, AND
21 FOR RELATED APPROVALS.

Docket No. WS-02987A-20-0025
WS-01303A-20-0025

22 **RUCO'S NOTICE OF FILING**

23 The Residential Utility Consumer Office ("RUCO") hereby provides Notice of Filing the
24 Surrebuttal Testimony of Frank W. Radigan and John A. Cassidy in the above-referenced
25 matter.

26 RESPECTFULLY SUBMITTED this 8th day of October, 2021.

27 S/ Daniel W. Pozefsky
28 Daniel W. Pozefsky
29 Chief Counsel

1 E-filed this 8th day of October, 2021
2 with:

3 <https://efiling.azcc.gov>

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By s/ Renee de la Fuente
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EPCOR WATER ARIZONA, INC.
DOCKET NOS. WS-02987A-20-0025 AND WS-01303A-20-0025

SURREBUTTAL TESTIMONY
OF
FRANK W. RADIGAN

ON BEHALF OF THE
RESIDENTIAL UTILITY CONSUMER OFFICE

OCTOBER 8, 2021

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EXECUTIVE SUMMARY

RUCO has reviewed the rebuttal testimony of EPCOR Water Arizona Inc. ("EPCOR" or "the Company"). Based on its review RUCO proposes 1) no changes to the recommended revenue requirement from that presented in its direct testimony of August 24, 2021 for the EPCOR San Tan Water District and 2) a downward adjustment in the recommended revenue requirement for the San Tan wastewater District. For the Wastewater District RUCO now recommends that its previous rate increase of \$245,973, or 1.3%, be lowered to \$5,659, or 0.03%.

Mr. Radigan addresses five separate points regarding the Company's rebuttal testimony. The first is the proper expense level for expenses at the Club at OASIS. EPCOR argues that its forecast expense level is reasonable as it now owns the Golf Club and must maintain it in order to get rid of the effluent from its wastewater treatment plant. The Company has acknowledged, however, that this property is valuable as a real estate asset and they may just be maintaining the course for that purpose. Also, some of the fees are just one-time charges and are not expected to recur on a regular basis. As such, RUCO recommends that the utility only be allowed half of the projected expense and rates be set with an expense level of \$42,000 per year.

The Company rejects any adjustment to the Sludge disposal expense because its main vendor is a long-time vendor, with reasonable fees and for whose services the terms of which were negotiated at an arms-length transaction. A review of invoices from other vendors indicated however that the current fees paid to the long-term vendor are substantially higher than the tipping fee at the local landfill that accepts waste. RUCO proposes to allow only 80% of the forecast expense. This will set a more reasonable fee level and still allow the utility to reap savings when a new vendor can be obtained to dispose of the sludge at a lower fee level. This recommendation results in a downward adjustment to expenses in the amount of \$191,241.

The Company rejects the RUCO argument that the use of the 2017 expense level more properly reflects legal fees going forward than the Company's use of a three-year average of expenses (2017-2019). The nexus of the Company's argument is that the three-year average is forward looking and is reflective of the legal expense EPCOR expects to be incurred under current operations. RUCO is not persuaded by this argument because RUCO showed in its direct testimony that the 2018 and 2019 legal fees level were unusually high due to the many operational and maintenance problems that the previous owner had with both the Commission and the environmental oversight entity the Arizona Department of Environmental Quality ("ADEQ"). With the sale of Johnson Utilities to EPCOR most of these issues were settled and/or closed and the associated legal costs should not re-occur as the problems are now moot. The 2017 level of legal expense is more reasonable on a going forward basis.

EPCOR disagrees with RUCO's recommendation to remove in total \$1.5 million of Management fees and with RUCO's recommendation to remove approximately \$1.4 million of direct and indirect labor costs included in Management fees. EPCOR disagrees

1 with these adjustments because it claims RUCO has failed to recognize that these costs
2 will be replaced by corporate allocations from EPCOR USA and EPCOR Water Arizona
3 which are estimated to be \$4 million, \$1.1 million higher than the costs RUCO seeks to
4 disallow. RUCO disagrees with EPCOR's rebuttal because the EPCOR USA
5 management fees are an issue in Docket WS-01303A-20-0177 in which the Company
6 sponsored testimony for the full recovery of the test year fees for all EPCORUSA Arizona
7 utilities and giving the utility money here would result in a double recovery.

8
9 EPCOR rejects RUCO's use of a traditional return on FVRB and renews its request to use
10 a 6.11% operating margin approach to set rates. RUCO adequately covered the pros and
11 cons of operating margin versus rate of return regulation for this Company in direct
12 testimony but would add that it is unaware of a circumstance in which the rates for a Class
13 "A" water utility were set based upon operating margin. The ACC has utilized operating
14 margin only when setting rates for smaller, "mom and pop" Class "D" and "E" water
15 utilities. In those instances, the authorized operating margin would typically exceed the
16 return based on a FVRB determination in order to give recognition to the subject utility
17 serving fewer customers, its rate base being small, and as a consequence its revenue
18 stream being constrained. Said another way, small water companies need the cash to
19 operate and bigger ones like EPCOR don't need it. Here, it is important to keep in mind
20 that not only is EPCOR the largest regulated water utility in the state of Arizona, but plans
21 to make capital improvements to EPCOR San Tan in excess of \$100 million over the next
22 several years.

23
24 Also, as to the Company's argument that RUCO's position leaves it with "inadequate"
25 cash flow, EPCOR's position in this case is at odds with the findings of the Commission
26 when it allowed EPCOR to acquire the Johnson Utilities systems. In Decision No. 77854
27 the Commission authorized EPCOR to recover a \$45 million deferred debit, with a
28 financing cost set at 6%, to be recovered through a surcharge to be collected over a 15-
29 year period, beginning after the conclusion of the first-rate case filed by it after acquiring
30 Johnson. This authorization will result in an annual cash flow to the utility of \$4.6 million
31 per year which is approximately twice the level of cash being required under the operating
32 margin approach. To get that money the Company simply needs to file a compliance filing
33 with the Commission on the day this case is concluded.
34
35

I. INTRODUCTION

Q. Please state your name, position, and business address.

A. My name is Frank W. Radigan. I am a principal in the Hudson River Energy Group, a consulting firm providing services in electric, gas, steam, water and wastewater utility industry matters, and specializing in the fields of rates, planning, depreciation, and utility economics. My office address is 235 Lark Street, Albany, New York 12210.

Q. Did you previously file testimony in this matter?

A. Yes, I provided Direct Testimony in this case on August 24, 2021 regarding revenue requirement issues and on August 31, 2021 on rate design matters.

Q. Please summarize your education and business experience.

A. I received a Bachelor of Science degree in Chemical Engineering from Clarkson College of Technology in Potsdam, New York (now known as “Clarkson University”) in 1981. I received a Certificate in Regulatory Economics from the State University of New York at Albany in 1990.

Q. What is the purpose of your surrebuttal testimony?

A. This testimony addresses several issues. I will address the testimony of Company witness Ray Jones regarding his rebuttal testimony on the RUCO adjustments for the Club at Oasis and Sludge Disposal fees. I will also address Company witness Tom Bourassa’s rebuttal testimony to the RUCO adjustments for Legal Fees and Management Fees and the use of an operating margin.

II. SUMMARY

Q. Please summarize your surrebuttal testimony.

A. I reject the Company's rebuttal arguments to the following RUCO adjustments:

a) Club at OASIS Maintenance fees – EPCOR argues that its forecast expense level is reasonable as it now owns the Golf Club and must maintain it in order to get rid of the effluent from its wastewater treatment plant. The Company has acknowledged, however, that this property is valuable as a real estate asset and they may just be maintaining the course for that purpose. Also, some of the fees are just one-time charges and are not expected to recur on a regular basis. As such, RUCO recommends that the utility only be allowed half of the projected expense and rates be set with an expense level of \$42,000 per year.

b) Sludge Disposal Fees - The Company rejects any adjustment to the Sludge disposal expense by the main vendor is a long-time vendor, with reasonable fees and for whose services the terms of which were negotiated at an arms-length transaction. A review of invoices from other vendors indicated however that the current fees paid to the long-term vendor are substantially higher than the tipping fee at the local landfill that accepts waste. On average the Company was charged \$95 per ton for sludge removed in 2020. The utility can cost by getting a new vendor or hire directly to make the waste hauling trips which averages about 3 per day. The burden of proof is on the utility to show that the vendor's fee is reasonable compared to other alternatives. RUCO proposes to allow only 80% of the forecast expense. This will set a more reasonable fee level and still allow the utility to reap

1 savings when a new vendor can be obtained to dispose of the sludge at a
2 lower fee level. This recommendation results in a downward adjustment to
3 expenses in the amount of \$191,241.

4
5 c) Legal Fees – The Company rejects the RUCO argument that the use of the
6 2017 expense level more properly reflects legal fees going forward than the
7 Company's use of a three-year average of expenses (2017-2019). The
8 nexus of the Company's argument is that the three-year average is forward
9 looking and is reflective of the legal expense EPCOR expects to be incurred
10 under current operations. RUCO is not persuaded by this argument because
11 RUCO showed in its direct testimony that the 2018 and 2019 legal fees level
12 were unusually high due to the many operational and maintenance problems
13 that the previous owner had with both the Commission and the
14 environmental oversight entity the Arizona Department of Environmental
15 Quality ("ADEQ"). With the sale of Johnson Utilities to EPCOR most of
16 these issues were settled and/or closed and the associated legal costs
17 should not re-occur as the problems are now moot. The 2017 level of legal
18 expense is more reasonable on a going forward basis.

19
20 d) Management Fees – EPCOR disagrees with RUCO's recommendation to
21 remove in total \$1.5 million of Management fees and with RUCO's
22 recommendation to remove approximately \$1.4 million of direct and indirect
23 labor costs included in Management fees. EPCOR disagrees with these
24 adjustments because it claims RUCO has failed to recognize that these
25 costs will be replaced by corporate allocations from EPCOR USA and

1 EPCOR Water Arizona which are estimated to be \$4 million, \$1.1 million
2 higher than the costs RUCO seeks to disallow.

3
4 RUCO disagrees with EPCOR's rebuttal because the EPCOR USA
5 management fees are an issue in Docket No. WS-01303A-20-0177 in which
6 the Company sponsored testimony for the full recovery of the test year fees
7 for all EPCORUSA Arizona utilities in the amount of \$2,474,593. EPCOR
8 also requested a pro-forma adjustment to this expense item in the amount
9 of \$69,199.

10
11 EPCOR reports EPCOR Arizona - San Tan will be about 20% of EPCOR's
12 Arizona business when it gets fully integrated into EPCOR's Arizona
13 business. Going forward therefore, EPCOR San Tan will be responsible for
14 \$508,758 of the pro-forma expense. This is far less than the \$4 million
15 claimed by Mr. Bourassa and RUCO sees no reason to adjust its revenue
16 requirement.

17
18 e) EPCOR rejects RUCO's use of a traditional return on FVRB and renews its'
19 request to use a 6.11% operating margin approach to set rates. RUCO
20 adequately covered the pros and cons of operating margin versus rate of
21 return regulation for this Company in my direct testimony but would add that
22 it is unaware of a circumstance in which the rates for a Class "A" water utility
23 were set based upon operating margin. The ACC has utilized operating
24 margin only when setting rates for smaller, "mom and pop" Class "D" and "E"
25 water utilities. Also asto the Company's argument that RUCO's position
26 leaves it with "inadequate" cash flow, EPCOR's position in this case is at

odds with the findings of the Commission when it allowed EPCOR to acquire the Johnson Utilities systems. In Decision No. 77854 the Commission authorized EPCOR to recover a \$45 million deferred debit, with a financing cost set at 6%, to be recovered through a surcharge to be collected over a 15-year period, beginning after the conclusion of the first rate case filed by it after acquiring Johnson. This authorization will result in an annual cash flow to the utility of \$4.6 million per year which is approximately twice the level of cash being required under the operating margin approach. To get that money the Company simply needs to file a compliance filing with the Commission on the day this case is concluded. In addition, EPCOR has indicated that the combined capital program for both the Water District and Wastewater District is at \$117 million. (Jones Direct at 8). Much of that money has already been spent in 2020 and 2021 according to the Company's capital plans. This too indicates the hollowness of the Company's complaint. RUCO is unconvinced that it should change its position.

III. CLUB AT OASIS

Q. Could you please discuss the issue of the proper expense level for club at oasis?

A. Yes, the Club at Oasis was a nine (9) hole par 3 golf course located in Florence, Arizona. At the time I filed my direct testimony in the case EPCOR reported that in the test-year, Johnson Utilities L.L.C. made payments to Club at Oasis LLC in the amount of \$85,755.27 (Exhibit FWR-6 - Response to Staff 6.8). These payments were charged to expenses and are included in the amended filing (Id). EPCOR reviewed the expenses and determined that \$72,000 in costs for effluent monthly

1 charges were eliminated upon the acquisition of assets by EPCOR (Id). Costs in
2 the amount of \$13,755.27 are to reimburse Club at Oasis LLC for fuel costs (Id).
3 These fuel costs are utility costs that continue with a different vendor under EPCOR
4 ownership (Id).

5
6 In rebuttal testimony Company Witness Ray Jones reports that the golf course is
7 now owned by EPCOR and is closed and the course is now used exclusively as an
8 effluent disposal facility for effluent from the Section 11 Wastewater treatment Plant
9 (See Jones rebuttal at 3). Mr. Jones further states that while it now owns the Club
10 at Oasis and effluent charges have ceased. EPCOR incurs the cost of owning and
11 maintaining the facility so that it can continue to take the effluent (See Jones at 5).
12 Mr. Jones further states that the Company estimates that the ongoing costs will be
13 \$80,000 to \$85,000 per year and provided evidence showing that current expenses
14 equal approximately \$98,810 per year (Id and Exhibit RLJ-RB1).

15
16 **Q. Have you reviewed the evidence provided by the company in its updated**
17 **presentation?**

18 A. Yes, the Company's \$84,000 expense projection is based on four main
19 maintenance items: 1) a lawn maintenance fee of \$8,000 per month for six months
20 of service by "MZ yard Doctors" for an annual expense of \$48,000, 2) a pest control
21 fee of \$2,400 per month provided by "Affordable pest Control" for mosquito control
22 for an annual expense of \$24,000, 3) a \$6,000 per year charge for "No Trespassing"
23 signs paid to "Degan Construction" and 4) a \$ 6,000 per year fee for what appears
24 to be other pest control services paid to a firm named "Versasis". I have included
25 the invoices from these firms as Exhibit FWR-18.

1 A review of the invoices shows that some of these charges are for one-time services
2 and some for ongoing work. The fees paid to Degan Construction are a one-time
3 charge for No Trespassing signs to reflect the new ownership. The fees for pest
4 control have not been shown to be a one-time charge or an ongoing charge. The
5 burden of proof is on the utility to show that this charge is a reasonable level and
6 why it needs to be incurred in order for the land to take effluent. They appear to be
7 a one-time charge and should not be included as an ongoing expense.

8
9 The fees for pest control have not been shown to be required in order for the former
10 Golf Course to take the effluent. They may be incurred to keep the land attractive
11 from a real estate point of view or one-time fees to keep up with overdue
12 maintenance. The burden of proof is on the utility to show that this charge is a
13 reasonable level and why it needs to be incurred in order for the land to take
14 effluent.

15
16 The charge for maintaining the golf course is also a known quantity because it is
17 known that EPCOR intends to sell the land at some point to fund future capital
18 projects (Decision No. 77864 at 68-69). Thus, EPCOR may be maintaining the golf
19 course in order to keep it attractive as a real estate asset.

20
21 For all of the reasons noted above I do not believe that the Company has made a
22 compelling case to justify the whole \$84,000 expense level. That said, if the land
23 is sold in the future it will reduce the capital needs of the utility and ratepayers will
24 benefit in the future from a lower rate base. As such, RUCO recommends that the
25 utility only be allowed half of the projected expense and rates be set with an
26 expense level of \$42,000 per year.

IV. SLUDGE DISPOSAL EXPENSE

Q. Could you please discuss the issue of sludge disposal?

A. Yes. Reflected in the Company wastewater schedules is a request for funding of an expense paid for sludge removal expense from the Anthem, San and Pecan wastewater treatment plants. The test year expense was \$956,703 (See Schedule C-1, pg. 2 of 2, line 10). The majority of this money is paid to an affiliate of Johnson Utilities, \$922,682 (See Exhibit FWR-10). At the time I filed my direct testimony there was still outstanding discovery on this issue and in that testimony, I stated that RUCO presented no adjustment to this expense at that time but I would address the issue again in the sur-rebuttal portion of the case.

Q. Did the Company address the issue in its rebuttal testimony?

A. Yes. Company Witness Jones addressed the issue (Jones Rebuttal at 5-6). Mr. Jones states that the Company has provided substantial documentation to support its proposed expense and specifically point to the information provided in response to RUCO discovery question 3.1 (Id). Mr. Jones further explains that the expense data provided in that response justifies an annual sludge disposal expense in the range of \$984,00 to \$1,110,000 which are all greater than the test-year value of \$956,703 being requested in rates (Id).

Q. Have you reviewed the data presented by the company and the invoices that support the information provided?

A. Yes, I have.

1 **Q. Do they support the Company's position?**

2 A. No The Company provided a spreadsheet of expenses paid to invoices for the 22-
3 month period from September 2019 to June 2021 that total \$1,890,543. Of that
4 amount \$1,558,469 was paid to Roadrunner Transit, and the remaining \$332,074
5 was paid to six other vendors. A review of the invoices of these other vendors and
6 the services they provide show that most of these charges are not for sludge
7 disposal but rather for video inspection of sewer lines, vacuuming clogs from sewer
8 lines, disposal of liquid waste, and for providing a small commercial dumpster at
9 various sites for everyday commercial trash. The only true charges for sludge
10 disposal are the invoices from Roadrunner Transit. The Roadrunner Transit charge
11 averages about \$71,000 per month in the September 2019 - June 2021 period. I
12 have also examined the Roadrunner Transit invoices for services for each month
13 of 2020 and they average \$74,166 for an annualized expense of approximately
14 \$890,000.

15
16 **Q. Could you speak to the specific components of the roadrunner transit**
17 **invoices?**

18 A. Yes, there are two components to the Roadrunner Transit invoice; a fee to dump
19 the waste at the landfill and a hauling expense for the driver and truck. For 2020,
20 the expense for the main sludge hauling averaged \$36 per ton to dispose of the
21 waste and approximately \$59 to haul the waste for a total average expense of \$95.
22 This average fee does not vary on a month to month basis.

23
24 The \$36 per ton disposal price is high compared to the tipping fee EPCOR paid to
25 Right Away disposal for its waste delivered to the Apache Junction Waste and
26 Recycling Facility. Based on invoices provided by the Company the Apache

1 Junction facility charged, on average, \$21.66 per ton or 40% less than the
2 Roadrunner Transit.

3
4 The \$59 dollar per ton hauling fee appears high as well, given that skilled drivers at
5 the San Tan Water and Wastewater Districts earn in the range of \$26-\$37 per hour
6 which includes all benefits.

7
8 In 2020 the Company disposed of 9,018 tons of sludge and averaged less than four
9 trips per weekday. Thus, if EPCOR hired two additional employees to haul sludge
10 the cost per ton would be \$12-\$17 per ton. If the assumption was 2.5 full time
11 employees were hired to haul the sludge the cost would increase to \$15-\$21 per
12 ton. When one includes the disposal cost with the hauling costs the total cost would
13 be in the range of \$34-\$43 per ton or 36%-45% of the cost currently being charged
14 now.

15
16 Of course, I recognize this analysis excludes the capital investment in a tractor
17 trailer and annual running cost and maintenance fees for the truck but the savings
18 are so large it would likely be imprudent for EPCOR to simply keep with Roadrunner
19 Transit in the long term without further analysis and review. I believe that EPCOR
20 should have an opportunity to garner savings for itself if it lowers costs. As such, I
21 believe a reasonable compromise would be to set the sludge disposal fee at 80%
22 of the forecast amount which would result in an adjusted test year expense of
23 \$765,362, a figure \$191,241, or 20%, less than the amount requested.

1 **Q. The Company in its CC&N applications claimed it was fit and proper to run**
2 **Johnson Utilities?**

3 A. Yes, and the Commission agreed.
4

5 **Q. Doesn't the definition of fit and proper also include being able to supply**
6 **employees to run the wastewater facility or in the alternative find a contractor**
7 **who can do the job for less?**

8 A. Yes.
9

10 **V. LEGAL FEES**

11 **Q. Could you please discuss the issue of contractual services – legal?**

12 A. Yes, in my direct testimony I made a downward adjustment to expense for legal
13 fees for both the Water District and Wastewater District that totaled \$1,379,470
14 based on my opinion that the 2017 level of legal expenses was more representative
15 of the costs going forward than the Company's use of a three-year (2017-2019)
16 average of the expense item as the basis for setting rates on an adjusted test year
17 basis.
18

19 In rebuttal Company Witness Thomas Bourassa disagreed with my
20 recommendation. Specifically, Mr. Bourassa states that the Company disagrees
21 with using the legal expense of 2017 as the basis for setting rates level on a going
22 forward basis (See Bourassa Rebuttal at 15). He further states that using 2017
23 levels is backward-looking and is not reflective of the level of legal expense EPCOR
24 expects to be incurred under current operations on a going forward basis (Id).
25

1 **Q. Is it reasonable to expect that EPCOR will incur the same level of legal**
2 **expense going forward as Johnson Utilities incurred in the 2017-2019 time**
3 **period?**

4 A. No, for the simple fact that I addressed this very issue in my direct testimony when
5 I stated that I had the Company's general ledger for 2018 and 2019 which showed
6 that most invoices in the legal fee accounts for that time period had notations
7 regarding cases for what the expenses were related to, and that most related to
8 legal fees attributable to the poor operations and business practices of the previous
9 owner of the utilities, George Johnson (See Radigan Direct at 18). These cases
10 included Docket Nos. WS-02987A-18-0050 ("Order to Show Cause" or "OSC"
11 Docket"), WS-02987A-18-0343 ("Affiliates Docket"), and WS-02987A-18-0329 et
12 al.⁴ ("CC&N Deletion Docket"). Many more legal expenses were incurred for the
13 litigation of the Arizona Department of Environmental Quality which related to the
14 poor operating practices of Johnson Utilities. Each of these cases incurred
15 substantial legal bills and all were dismissed when EPCOR assumed ownership of
16 Johnson Utilities. It is simply unreasonable for Mr. Bourassa to assume that
17 EPCOR will have the same amount of problems that the prior ownership
18 experienced. Absent such proof, I believe it unreasonable to use the 2018 and
19 2019 legal expense levels to set rates on a going forward basis.

20
21 In addition, the Company uses a shared services model which may include legal
22 costs, making Mr. Bourassa's argument irrelevant.
23
24
25
26

VI. MANAGEMENT FEES

Q. Could you please discuss the issue of management fees and direct payroll costs?

A. Yes. Company Witness Bourassa testifies that EPCOR disagrees with RUCO's recommendation to remove in total \$1.5 million of Management fees and with RUCO's recommendation to remove approximately \$1.4 million of direct and indirect labor costs included in Management fees (See Bourassa Rebuttal at 16). Mr. Bourassa states that EPCOR disagrees with these adjustments because RUCO has failed to recognize that these costs will be replaced by corporate allocations from EPCORUSA and EPCOR Water Arizona which are estimated to be \$4 million, \$1.1 million higher than the costs RUCO seeks to disallow (Id). The basis for Mr. Bourassa's claim is the RUCO response to RUCO 4.3 which was introduced as Exhibit FWR-14 (See Bourassa Rebuttal at 16 footnote 21).

Q. Could you please discuss the question and response to RUCO 4.3?

A. Yes. RUCO 4.3 asked why it would be reasonable for EPCOR San Tan customers to pay EPCOR management fees given that EPCOR now owns all assets of Johnson Utilities and is allowed to retain any net income deriving from such ownership of the utility. In reply, EPCOR agreed that management fees will now not be paid to EPCOR, as the Company now owns the assets of Johnson Utilities. The response further states that there are some corporate charges from the parent, EPCORUSA, and cost allocations from EPCOR Water Arizona that will be charged to the San Tan Water and Wastewater Districts under EPCOR's ownership. The response notes that those allocations have not yet been determined but the costs in 2020 that were allocated to the water and wastewater districts in Arizona totaled

1 approximately \$20 million and the San Tan Water and Wastewater districts are
2 approximately 20% of the EWAZ's business.

3
4 The response concludes that assuming this amount, the \$20 million, is allocated in
5 2021, an additional \$4 million of costs would then replace the \$1.5 million of interim
6 management fees that are no longer billed to the San Tan Water and Wastewater
7 Districts See Exhibit FWr-14).

8
9 **Q. Does RUCO agree with the EPCOR presentation as explained in its reply to**
10 **RUCO 4.3?**

11 A. No because the EPCORUSA management/corporate fees charged to the EPCOR
12 Arizona utilities are an issue in Docket No. WS-01303A-20-0177 in which the
13 Company sponsored testimony for the full recovery of the test year fees for all
14 EPCORUSA Arizona utilities in the amount of \$2,474,593. EPCOR also requested
15 a pro-forma adjustment to this expense item in the amount of \$69,199 (See Docket
16 No. WS-01303A-20-0177 Company Witness Skoubis at 31-32).

17
18 EPCOR reports EPCOR San Tan will be about 20% of EPCOR's Arizona business
19 when it gets fully integrated into EPCOR's Arizona business. Going forward
20 therefore, EPCOR San tan will be responsible for \$508,758 of the pro-forma
21 expense. This is far less than the \$4 million claimed by Mr. Bourassa and RUCO
22 sees no reason to adjust its revenue requirement.

23
24 In addition, any future cost allocation and collection from ratepayers is purely
25 speculative, as cost allocation will be analyzed in a future rate case. In which the
26 Commission may disallow some or all of the corporate allocation costs.

VII. RATE OF RETURN VS. OPERATING MARGIN

Q. Could you please discuss the issues of operating margin versus rate of return regulation?

A. Yes. In rebuttal testimony Company Witness Thomas Bourassa states that EPCOR continues to propose a 6.11% operating margin because a return on fair value rate base ("FVRB") results in inadequate cash flows to meet operating needs (See Bourassa Rebuttal at 4).

Mr. Bourassa goes on to say that the resulting operating margins from RUCO's rate of return FVRB approach¹ are wholly inadequate and will severely impact EPCOR's ability to attract capital and maintain its credit rating going forward (Id.).

Q. Does RUCO agree with Mr. Bourassa's version of the facts?

A. No. I believe I adequately covered the pros and cons of operating margin versus rate of return regulation for this Company in my direct testimony so I won't repeat it here. I will address the Company's argument that RUCO's position leaves it with "inadequate" cash flow. EPCOR's position in this case is at odds with the findings of the Commission when it allowed EPCOR to acquire the Johnson Utilities systems. In Decision No. 77854 the Commission:

1) found that EPCOR has a very healthy balance sheet through EPCOR USA and it accesses the capital markets through its ultimate parent EPCOR Utilities Inc., which has a credit rating from S&P of A-, allowing EPCOR to obtain capital at very competitive interest rates (See Decision No. 77954 at 78).,

¹ The operating margins resulting from RUCO's 42.31% debt and 57.69% equity capital structure with a 9.28% cost of equity and an 7.19% overall rate of return result in an operating margin of 1.65% and 0.015% for the Water and Wastewater Districts respectively (Id).

1 2) found that EPCOR has planned infrastructure improvements to
2 meet all current and planned developments within Johnson's CC&N
3 service areas and EPCOR anticipates substantial growth in Johnson
4 CC&N service areas for both water and wastewater services and is
5 committed to providing safe and reliable services to current and
6 future customers there (Id at 79),

7
8 3) authorized EPCOR to recover a \$45 million deferred debit, with a
9 financing cost set at 6%, to be recovered through a surcharge to be
10 collected over a 15-year period, beginning after the conclusion of the
11 first rate case filed by it after acquiring Johnson (ID at 111).

12
13 I would like to note that item 3) above will result in an annual cash flow to the utility
14 of \$4.6 million per year which is approximately twice the level of cash being required
15 under the operating margin approach. To get that money the Company simply
16 needs to file a compliance filing with the Commission on the day this case is
17 concluded. In addition, EPCOR has indicated that the combined capital program
18 for both the Water District and Wastewater District is at \$117 million. (Jones Direct
19 at 8). Much of that money has already been spent in 2020 and 2021 according to
20 the Company's capital plans. This too indicates the hollowness of the Company's
21 complaint. RUCO is unconvinced that it should change its position.

22
23 **Q. EPCOR San Tan is a Class "A" water utility. Is it customary for the Arizona**
24 **Corporation Commission ("ACC") to utilize operating margin when setting**
25 **rates for Class "A" regulated utilities?**

26 **A.** No. I am unaware of a circumstance in which the rates for a Class "A" water utility
27 were set based upon operating margin. To my knowledge, the ACC has utilized
28 operating margin only when setting rates for smaller, "mom and pop" Class "D" and
29 "E" water utilities. In those instances, the authorized operating margin would
30 typically exceed the return based on a FVRB determination in order to give
31 recognition to the subject utility serving fewer customers, its rate base being small,

1 and as a consequence its revenue stream being constrained. Said another way,
2 small water companies need the cash to operate and bigger ones like EPCOR don't
3 need it. Here, it is important to keep in mind that not only is EPCOR the largest
4 regulated water utility in the state of Arizona, but plans to make capital
5 improvements to EPCOR San Tan in excess of \$100 million over the next several
6 years.

7
8 It was no secret when EPCOR purchased Johnson Utilities that the Company had
9 little or no rate base.

10
11 In addition, EPCOR was awarded an Acquisition premium that ratepayers will begin
12 paying on very soon.

13
14 **Q. Does RUCO believe that setting rates based upon the Company's proposed**
15 **6.11 percent operating margin in this proceeding to be improper?**

16 A. Yes, as doing so would effectively compensate the Company for an investment in
17 plant which has not yet been made.

18
19 **Q. You stated above that when setting rates based on operating margin for**
20 **smaller Class "D" and "E" water utilities, the ACC would typically authorize a**
21 **return in excess of that made pursuant to a FVRB determination. To what**
22 **extent does EPCOR San Tan's proposed 6.11 percent operating margin**
23 **exceed the return based upon RUCO's recommended 7.19 percent ROR in**
24 **this proceeding?**

25 A. The answer to that question can be found in Mr. Bourassa's rebuttal testimony,
26 wherein he states that the overall operating margin produced by RUCO's return on

1 FVRB approach (i.e., RUCO's recommended 7.19 percent ROR) would be "just
2 0.58%." Thus, based upon Mr. Bourassa's calculations, the Company's proposed
3 6.11 percent operating margin exceeds RUCO's 0.58 percent operating margin by
4 a factor of 10.53x ($6.11\% / 0.58\% = 10.53x$).

5
6 **Q. Would setting rates for Class "D" and "E" water utilities based on an operating**
7 **margin which exceeds by a factor of 10.53x the return obtained pursuant to a**
8 **FVRB determination be inappropriate, excessive and contrary to the**
9 **ratepayers interests?**

10 A. Yes in any context it would be inappropriate and this fact—perhaps more than any
11 other consideration—clearly demonstrates why the Company's proposed 6.11
12 percent operating margin should be rejected for purposes of setting rates in this
13 proceeding, as EPCOR San Tan is a Class "A" water utility
14

15 **VIII. UPDATED REVENUE REQUIREMENT SCHEDULES**

16 **Q. Please discuss RUCO's updated revenue requirement schedules.**

17 A. RUCO has updated its revenue requirement schedules for the San Tan Wastewater
18 District for the two adjustments discussed in this testimony (Club at Oasis and
19 Sludge Disposal expense) which results in a slight rate increase for the Wastewater
20 District of approximately \$5,659 or 0.03%. There is no change to RUCO's revenue
21 requirement schedules for the Water District.
22

23 **IX. CONCLUSION**

24 **Q. Does this conclude your Surrebuttal testimony**

25 A. Yes, it does.

EPCOR WATER ARIZONA, INC.
DOCKET NOS. WS-02987A-20-0025 AND WS-01303A-20-0025

Exhibit FWR-18
Response to RUCO Discovery Question 5.1

ON BEHALF OF THE
RESIDENTIAL UTILITY CONSUMER OFFICE

OCTOBER 8, 2021

COMPANY: EPCOR Water Arizona Inc.
DOCKET NO: WS-02987A-20-0025 & WS-01303A-20-0025

Response Provided by: Greg Barber
Title: Controller

Address: 2355 W. Pinnacle Peak Road, Suite 300
Phoenix, AZ 85027

Company Response Number: RUCO 5.1

Page 1 of 1

Q: Please provide copies of the invoices for the following vendors by month for the months of January 2021 through June 2021:

- a. Arizona Yard Doctors LLC,
- b. Affordable Pest Control LLC,
- c. Debmar Family Enterprises LLC DBA Fastsigns Bell R,
- d. Degan Construction LLC, and
- e. ES OPCO USA LLC dba Vesperis.

A: Please see attached copies of the invoices for the following vendors by month for the months of January 2021 through June 2021:

- a. Arizona Yard Doctors LLC,
- b. Affordable Pest Control LLC,
- c. Debmar Family Enterprises LLC DBA Fastsigns Bell R,
- d. Degan Construction LLC, and
- e. ES OPCO USA LLC dba Vesperis.

-  5.1a AZ Yard Doctors Inv # 1350 032321 \$8032.pdf
-  5.1a AZ Yard Doctors Inv # 1372 032921 \$4886.pdf
-  5.1b Affordable Pest Inv # 69359 030121 \$1200.pdf
-  5.1b Affordable Pest Inv # 70840 040121 \$1200.pdf
-  5.1b Affordable Pest Inv # 72569 050121 \$1200.pdf
-  5.1b Affordable Pest Inv # 74316 060121 \$1200.pdf
-  5.1b Affordable Pest Inv # 75214 061421 \$1600.pdf
-  5.1c Fast Signs Inv # 194 85691 050621 \$1587.pdf
-  5.1d Degan Const Inv # 20822 032521 \$395.pdf
-  5.1e Vesperis Inv # PX727229 021921 \$520.PDF
-  5.1e Vesperis Inv # PX729704 040921 \$520.PDF

Arizona Yard Doctors
P.o.box 10554
Casa Grande, AZ 85130 US
(520) 450-0764
fixmyyard@yahoo.com

INVOICE

BILL TO

Johnson Utilities
2355 W. Pinnacle Peak Rd
Suite 300
Phoenix, Az 85027 USA

INVOICE # 1350

DATE 03/23/2021


DUE DATE 03/23/2021

TERMS Due on receipt

DATE	SERVICE	DESCRIPTION	QTY	RATE	AMOUNT
	Labor	Oasis golf course initial clean up	1	8,032.00	8,032.00

BALANCE DUE

\$8,032.00

 3-31-21

Arizona Yard Doctors
P.o.box 10554
Casa Grande, AZ 85130 US
(520) 450-0764
fixmyyard@yahoo.com

INVOICE

BILL TO

Johnson Utilities
2355 W. Pinnacle Peak Rd
Suite 300
Phoenix, Az 85027 USA

INVOICE # 1372

DATE 03/29/2021

DUE DATE 03/29/2021

TERMS Due on receipt

DATE	SERVICE	DESCRIPTION	QTY	RATE	AMOUNT
	Lawn Maintenance	Lawn service for April 2021 Golf course	1	4,886.00	4,886.00

BALANCE DUE

\$4,886.00

INVOICE**AFFORDABLE PEST CONTROL**

2769 G E COMBS RD
San Tan Valley, AZ 85140
United States
(480)907-7913



License #	9187
Invoice #	69359
Invoice Date	3/1/21
Due Date	NET25 3/26/21
Account #	2042
Service Address	5764 E Hunt Hwy
Amount Due	\$1200.00

Attn: Rosendo Cervantes

EPCOR WATER - THE CLUB AT OASIS
5764 E Hunt Hwy
Florence, AZ 85132
United States

Item	Quantity	Rate	Price
THE CLUB AT OASIS (Account # 2042) - 5764 E Hunt Hwy			
Invoice # 69359 - Mosquito Granule Treatment		\$1200.00	\$1200.00
		Tax (0.0000%):	\$0.00

Additional Notes

A \$10 late fee will be added onto unpaid
balances after 15 days (unless special terms
have been agreed upon prior)
National Emergency Poison Control: (800)222-
1222

Sub Total	\$1200.00
Tax	\$0.00
Amount Paid	\$0.00
Amount Due:	\$1200.00



AFFORDABLE PEST CONTROL
2769 G E COMBS RD
San Tan Valley, AZ 85140
(480) 907-7913

Attn: Rosendo Cervantes
EPCOR WATER - THE CLUB AT OASIS
5764 E Hunt Hwy
Florence, AZ 85132
United States

Invoice

5764 E Hunt Hwy

INVOICE NO. ACCOUNT NUMBER
70840 2042

INVOICE DATE
04/01/2021

LICENSE
9187

DUE DATE (NET 25 TERMS)

04/26/2021

AMOUNT DUE

\$1,200.00

THE CLUB AT OASIS (Acct #: 2042)

ITEM	QUANTITY	PRICE	SUBTOTAL
Mosquito Granule Treatment	1	\$1,200.00	\$1,200.00

Additional Notes

A \$10 late fee will be added onto unpaid balances after 15 days (unless special terms have been agreed upon prior)

National Emergency Poison Control: (800)222-1222

Taxes	\$0.00
Invoice Total	\$1,200.00
Amount Paid	\$0.00
Amount Due	\$1,200.00



AFFORDABLE PEST CONTROL
2769 E Combs Rd 7
SAN TAN VALLEY, AZ 85140
(480) 907-7913

Attn: Rosendo Cervantes
EPCOR WATER - THE CLUB AT OASIS
5764 E Hunt Hwy
Florence, AZ 85132
United States

Invoice

5764 E Hunt Hwy

INVOICE NO. ACCOUNT NUMBER
72569 2042

INVOICE DATE
05/01/2021

LICENSE
9187

DUE DATE (NET 25 TERMS)

05/26/2021

AMOUNT DUE

\$1,200.00

EPCOR WATER-THE CLUB AT OASIS (Acct #: 2042)

ITEM	QUANTITY	PRICE	SUBTOTAL
Mosquito Granule Treatment	1	\$1,200.00	\$1,200.00

Additional Notes
A \$10 late fee will be added onto unpaid balances after 15 days (unless special terms have been agreed upon prior)
National Emergency Poison Control: (800)222-1222

Taxes	\$0.00
Invoice Total	\$1,200.00
Amount Paid	\$0.00
Amount Due	\$1,200.00

**AFFORDABLE PEST CONTROL**

2769 E Combs Rd 7
 SAN TAN VALLEY, AZ 85140
 (480) 907-7913

EPCOR WATER - THE CLUB AT OASIS

5764 E Hunt Hwy
 Florence, AZ 85132

Invoice

5764 E Hunt Hwy

INVOICE NO.

74316

ACCOUNT NUMBER

2042

INVOICE DATE

06/01/2021

LICENSE

9187

DUE DATE (NET 25 TERMS)

06/26/2021

AMOUNT DUE

\$1,200.00

EPCOR WATER-THE CLUB AT OASIS (Acct #: 2042)

ITEM	QUANTITY	PRICE	SUBTOTAL
Mosquito Granule Treatment	1	\$1,200.00	\$1,200.00

Additional Notes

A \$10 late fee will be added onto unpaid balances after 15 days (unless special terms have been agreed upon prior)

National Emergency Poison Control: (800)222-1222

Taxes	\$0.00
-------	---------------

Invoice Total	\$1,200.00
---------------	-------------------

Amount Paid	\$0.00
-------------	---------------

Amount Due	\$1,200.00
------------	-------------------

**AFFORDABLE PEST CONTROL**

2769 E Combs Rd 7
 SAN TAN VALLEY, AZ 85140
 (480) 907-7913

EPCOR WATER - THE CLUB AT OASIS

5764 E Hunt Hwy
 Florence, AZ 85132

Invoice

5764 E Hunt Hwy

INVOICE NO.

75214

ACCOUNT NUMBER

2042

INVOICE DATE

06/14/2021

LICENSE

9187

DUE DATE (NET 25 TERMS)

07/09/2021

AMOUNT DUE

\$1,600.00

EPCOR WATER-THE CLUB AT OASIS (Acct #: 2042)

ITEM	QUANTITY	PRICE	SUBTOTAL
Mosquito Oil Treatment	1	\$1,600.00	\$1,600.00
Initial Discount	1	\$0.00	\$0.00

Additional Notes

A \$10 late fee will be added onto unpaid balances after 15 days (unless special terms have been agreed upon prior)

National Emergency Poison Control: (800)222-1222

Taxes

\$0.00

Invoice Total

\$1,600.00

Amount Paid

\$0.00

Amount Due

\$1,600.00

Invoice

Page 1 of 1



Sales Invoice Number

194 85691

Invoice Date

Thursday, May 6, 2021

PO #:

Oasis Golf Cour

Invoice To:

Adam Miller
EPCOR WATER
2355 W. Pinnacle Peak Rd
#300
PHOENIX, AZ 85027

Phone Number: (480) 848-7460

Fax Number:

Email: AMiller3@epcor.com

Sales Person: Lisa Lutz

Delivery / Order Notes:

Your Order No.

Our Invoice Number

85691

Invoice Date

5/6/2021

Payment Due

All Payments are due 30 days from invoice
date. Your business is important to us,

Product Code	Product Description	Qty	Sides	H x W	Unit Price	Total
1	Print on Aluminum .063 *UV Print on Aluminum .063.	25	1	20 x 20	\$63.50	\$1,587.50

Please Remit Payment To:**FASTSIGNS GLENDALE**

6020 West Bell Road E101

Glendale, AZ 85308

Phone: (602) 439-4242

Fax: (602) 439-2360

Email: sales.194@fastsigns.com

Line Item Total: \$1,587.50

Subtotal: \$1,587.50

Taxes: \$146.05

Total: \$1,733.55

Total Payments: \$0.00

Balance Due: \$1,733.55

Payment MethodCash ☐ Check ☐ Credit Card ☐Number Date Picked Up **(Customer Signature)**

More than fast. More than signs.™



INVOICE

Customer:

Epcor
2355 W Pinnacle Peak Rd
#300
Phoenix, AZ 85027

DEGAN CONSTRUCTION LLC

1402 N 24th Ave, Phoenix, AZ 85009

Phone: 602-795-8475

AR@degancon.com

Invoice **20822**

Date 03/25/2021

Project: **Hole 9 Golf Course Irrigation**

San Tan Valley

Job: 210059

<u>Item #</u>	<u>Qty</u>	<u>Description</u>	<u>Unit Price</u>	<u>TOTAL</u>
1	1	Labor	\$ 214.00	\$ 214.00
2	1	Equipment	\$ 76.00	\$ 76.00
3	1	Materials	\$ 105.85	\$ 105.85
Repair leak at golf course				

TERMS: Payment is due, owing and payable to DEGAN CONSTRUCTION upon receipt of this invoice and becomes past due if not paid within thirty days of date of this invoice. In the event Customer defaults obligation of timely payment, Customer agrees to pay a late charge of 1.5% of the outstanding balance due on this invoice each month until default is cured. Customer shall reimburse and pay DEGAN for all expenses, costs and reasonable attorney's fees incurred or expended by DEGAN in enforcing its rights herein. The laws of the state of Arizona shall govern this transaction and any enforcement hereof shall be in the superior or federal courts of Arizona. Customer expressly waives its venue rights and consents to enforcement hereof in Maricopa County, Arizona.

Subtotal	\$ 395.85
Retention Held	
Retention Billed	
Tax	
Total	\$ 395.85

Remittance Address

Degan Construction LLC
PO Box 60245
Phoenix, AZ 85082

Contract Summary

Original amount	Approved changes	Revised amount	Invoiced amount	Remaining amount	Billed percent	Retainage balance
395.85	0.00	395.85	395.85	0.00	100.00%	0.00



Degan Construction, LLC
 1402 N. 24th Ave.
 Phoenix, AZ 85009
 602-795-8475

PAY ESTIMATE/INVOICE

Customer: Epcor Water USA
 Address: 968 E Hunt HWY

Project Name: Hole 9 Golf Course Irrigation Repair
 Project Location: San Tan Valley
 Degan Project #: 21-0059

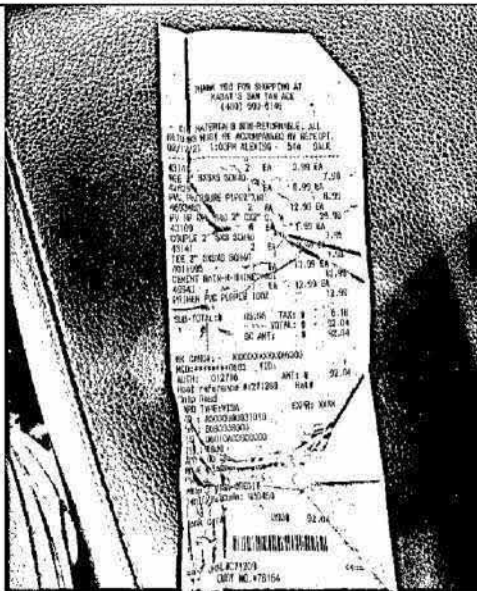
Invoice #: 20822
 Invoice Date: 3/25/2021
 Pay Estimate #: 001
 Customer PO#:
 Customer Contract#:

Item ID	Description	Unit	Contract Quantity	Contract Unit Price	Contract Amount	Quantity To Date	Completed To Date	% Comp	Quantity Previous	Less Previous Billing	Quantity This Invoice	Total This Invoice
2/12/2021												
	LABOR											
	Foreman	HR	2.00	\$ 67.00	\$ 134.00	2.00	\$ 134.00	100%		\$ -	2.00	\$ 134.00
	Journeyman	HR	2.00	\$ 40.00	\$ 80.00	2.00	\$ 80.00	100%		\$ -	2.00	\$ 80.00
	EQUIPMENT											
	Crew Truck w/ Tools	HR	2.00	\$ 38.00	\$ 76.00	2.00	\$ 76.00	100%		\$ -	2.00	\$ 76.00
MATERIALS/SUBS												
	6300-11137	LS	1.15	\$ 92.04	\$ 105.85	1.15	\$ 105.85	100%		\$ -	1.15	\$ 105.85
Total					\$ 395.85		\$ 395.85			\$ -		\$ 395.85

Labor	\$ 214.00
Equipment	\$ 76.00
Materials	\$ 105.85
Subs	\$ -

**CREDIT CARDS****CARD INFORMATION**

Card Holder:	6300 Sonny Hyde Visa	Date:	2/12/2021
Vendor:	ace hardware	Amount:	92.04
Notes:	Materials		
	Signature:		

RECEIPT CODING**RECEIPT PICTURE**



Approval Context	Action Date	Line Num	Action	Approver	Amount Reviewed	Comments
Invoice Approval	16-JUN-2021		Sent	Lant, Jed	0.00	
Invoice Approval	21-JUN-2021		Approved	Lant, Jed	3,529.50	U6 357 0 4001 870

Editor

U6 357 0 4001 870 5261 0

Note that \$520 should be charged to the Oasis Golf Course

Retainage

OK

Cancel

Search

Accounted Yes



10800 Pecan Park Blvd. Bldg. 1, Suite 300
Austin, TX 78750

www.veseris.com

INVOICE

VESERIS SERVICE WAREHOUSE
3791 E 43RD PL
TUCSON AZ 85713-5403
1-800-888-4897

Return Service Requested

Page 1 of 2

CUST. NO./SHIP TO

757491
JOHNSON UTILITIES LLC
5230 EAST SHEA BLVD
STE 200
SCOTTSDALE AZ 85254-5750

757491 001
JOHNSON UTILITIES LLC
8465 W. OCOTILLO RD
FLORENCE AZ 85132

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INVOICE NO. PX727229	INV. DATE 02/19/21	ORDER NO. 322534	CUSTOMER P.O. NUMBER ERIN		WAREHOUSE LOCATION TUCSON		ON TIME DELIVERY ES ACCOUNT REP DELIVERY	
SHIP DATE 02/19/21	TAX EXEMPT NO.		SALES REP. ANGIE ROMERO		SALES DEPARTMENT VESERIS		ENTERED BY ANTONIO PARKS	
PRODUCT DESCRIPTION				TAX	QUANTITY ORDERED	QUANTITY SHIPPED B.O.	BILLING QTY./ UNIT PRICE	EXTENDED AMOUNT
811647 ALTOSID SBGII 40LB BG 1.0000 BG BG 100518214 AGCY ES CENTR **** GRAN BAG NO RECOMMENDATION HAS BEEN MADE COVERING THE USE OF THE MATERIALS COVERED BY THIS SALES INVOICE. ***** VESERIS IS THE AGENT FOR THE SALE OF ANY AGENCY PRODUCT. THE SELLER NAME IS IDENTIFIED ON THE PRODUCT LINE OF AN AGENCY INVOICE ***** THIS INVOICE IS ISSUED BY UNIVAR ON BEHALF OF VESERIS. ***** ATTENTION--DUE TO THE COVID PANDEMIC ALL SALES ARE FINAL PSP# 99-19 ***** SAFETY DATA SHEETS (SDS) ARE AVAILABLE ELECTRONICALLY FOR VESERIS DISTRIBUTED PRODUCTS AT HTTPS://WWW.PESTWEB.COM/DOCUMENTS. IN THE EVENT OF AN INCIDENT, ALL SDSS MAY BE ACCESSED BY EMERGENCY RESPONDERS BY CALLING 800-424-9300. *****				Y	25.00 BG	25.00 BG	25.0000 130.0000 BG	3250.00

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PLEASE DETACH HERE AND RETURN BOTTOM PORTION WITH YOUR PAYMENT



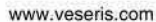
CUST. NO./SHIP TO

INVOICE NO.	INVOICE DATE	AMOUNT DUE	AMOUNT PAID
PX727229	02/19/21	3529.50	

757491
JOHNSON UTILITIES LLC
5230 EAST SHEA BLVD
STE 200
SCOTTSDALE AZ 85254-5750

REMIT TO

ES OPCO USA LLC
PO BOX 7410137
CHICAGO IL 60674-0137



VESERIS SERVICE WAREHOUSE
3791 E 43RD PL
TUCSON AZ 85713-5403
1-800-888-4897

Page 2 of 2

CUST. NO./SHIP TO

757491 001
JOHNSON UTILITIES LLC
8465 W. OCOTILLO RD
FLORENCE AZ 85132

Buyer agrees that all orders or purchases are subject to Vesperis' Standard Terms and Conditions of Sale as of the date of shipment available at www.pestweb.com/sales-terms. All sales and orders are expressly limited to such terms, which may be updated from time to time. No other terms and conditions apply to any purchase order unless agreed to in writing by both parties.

PLEASE DETACH HERE AND RETURN BOTTOM PORTION WITH YOUR PAYMENT



757491
JOHNSON UTILITIES LLC
5230 EAST SHEA BLVD
STE 200
SCOTTSDALE AZ 85254-5750

ES OPCO USA LLC
PO BOX 7410137
CHICAGO IL 60674-0137



Approval Context	Action Date	Line Num	Action	Approver	Amount Reviewed	Comments
Invoice Approval	16-JUN-2021		Sent	Lant, Jed	0.00	
Invoice Approval	21-JUN-2021		Approved	Lant, Jed	2,823.60	U6 357 0 4001 870

Editor

U6 357 0 4001 870 5261 0
Please note \$520 to be charged to Oasis Golf Course

OK Cancel Search

Retainage

Payments Applied

Accounted Yes

Workflow Approval



10800 Pecan Park Blvd. Bldg. 1, Suite 300
Austin, TX 78750

www.veseris.com

INVOICE

VESERIS SERVICE WAREHOUSE
8590 W BUCKEYE RD STE 106
TOLLESON AZ 85353-9263
1-800-888-4897

Return Service Requested

Page 1 of 2

CUST. NO./SHIP TO

757491
JOHNSON UTILITIES LLC
5230 EAST SHEA BLVD
STE 200
SCOTTSDALE AZ 85254-5750

757491 001
JOHNSON UTILITIES LLC
8465 W. OCOTILLO RD
FLORENCE AZ 85132

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INVOICE NO. PX729704		INV. DATE 04/09/21	ORDER NO. 324966	CUSTOMER P.O. NUMBER ANGIE-EMAIL		WAREHOUSE LOCATION PX-UNIVAR ES PHOENIX		ON TIME DELIVERY ES ACCOUNT REP DELIVERY	
SHIP DATE 04/08/21		TAX EXEMPT NO.		SALES REP. ANGIE ROMERO		SALES DEPARTMENT VESERIS		ENTERED BY ANTONIO PARKS	
PRODUCT DESCRIPTION				TAX	QUANTITY ORDERED	QUANTITY SHIPPED B.O.	BILLING QTY./ UNIT PRICE		EXTENDED AMOUNT
811647 ALTOSID SBGII 40LB BG 1.0000 BG BG 100518214 AGCY ES CENTR **** GRAN BAG NO RECOMMENDATION HAS BEEN MADE COVERING THE USE OF THE MATERIALS COVERED BY THIS SALES INVOICE. ***** VESERIS IS THE AGENT FOR THE SALE OF ANY AGENCY PRODUCT. THE SELLER NAME IS IDENTIFIED ON THE PRODUCT LINE OF AN AGENCY INVOICE ***** THIS INVOICE IS ISSUED BYUNIVAR ON BEHALF OF VESERIS. ***** ATTENTION--DUE TO THE COVID PANDEMIC ALL SALES ARE FINAL PSP# 99-19 ***** SAFETY DATA SHEETS (SDS) ARE AVAILABLE ELECTRONICALLY FOR VESERIS DISTRIBUTED PRODUCTS AT HTTPS://WWW.PESTWEB.COM/DOCUMENTS. IN THE EVENT OF AN INCIDENT, ALL SDSS MAY BE ACCESSED BY EMERGENCY RESPONDERS BY CALLING 800-424-9300. *****				Y	20.00 BG	20.00 BG	20.0000 130.0000 BG		2600.00

Buyer agrees that all orders or purchases are subject to Veseris' Standard Terms and Conditions of Sale as of the date of shipment available at www.pestweb.com/sales-terms. All sales and orders are expressly limited to such terms, which may be updated from time to time. No other terms and conditions apply to any purchase order unless agreed to in writing by both parties. Enrollment Token: 3S687NQG

PLEASE DETACH HERE AND RETURN BOTTOM PORTION WITH YOUR PAYMENT



CUST. NO./SHIP TO

INVOICE NO.	INVOICE DATE	AMOUNT DUE	AMOUNT PAID
PX729704	04/09/21	2823.60	

757491
JOHNSON UTILITIES LLC
5230 EAST SHEA BLVD
STE 200
SCOTTSDALE AZ 85254-5750

REMIT TO

ES OPCO USA LLC
PO BOX 7410137
CHICAGO IL 60674-0137

www.veseris.com

INVOICE

VESERIS SERVICE WAREHOUSE
8590 W BUCKEYE RD STE 106
TOLLESON AZ 85353-9263
1-800-888-4897


Return Service Requested

Page 2 of 2

CUST. NO./SHIP TO

757491
JOHNSON UTILITIES LLC
5230 EAST SHEA BLVD
STE 200
SCOTTSDALE AZ 85254-5750

757491 001
JOHNSON UTILITIES LLC
8465 W. OCOTILLO RD
FLORENCE AZ 85132

Veseris' Policy Notice is posted on www.pestweb.com/privacy-policy				FREIGHT TERMS COLLECT		FOB DELIVERED		
INVOICE NO. PX729704	INV. DATE 04/09/21	ORDER NO. 324966	CUSTOMER P.O. NUMBER ANGIE-EMAIL		WAREHOUSE LOCATION PX-UNIVAR ES PHOENIX		ON TIME DELIVERY ES ACCOUNT REP DELIVERY	
SHIP DATE 04/08/21	TAX EXEMPT NO.		SALES REP. ANGIE ROMERO		SALES DEPARTMENT VESERIS		ENTERED BY ANTONIO PARKS	
PRODUCT DESCRIPTION				TAX	QUANTITY ORDERED	QUANTITY SHIPPED B.O.	BILLING QTY./ UNIT PRICE	EXTENDED AMOUNT
TERMS: NET 30						MERCHANDISE: SALES TAX: INVOICE TOTAL:		2600.00 223.60 2823.60
 VESERIS™								

Buyer agrees that all orders or purchases are subject to Vesperis' Standard Terms and Conditions of Sale as of the date of shipment available at www.pestweb.com/sales-terms. All sales and orders are expressly limited to such terms, which may be updated from time to time. No other terms and conditions apply to any purchase order unless agreed to in writing by both parties. Enrollment Token: 3S687NQG

Enrollment Token: 3S687NQG

PLEASE DETACH HERE AND RETURN BOTTOM PORTION WITH YOUR PAYMENT



CUST. NO./SHIP TO

INVOICE NO.

PX729704

INVOICE DATE

04/09/21

AMOUNT DUE

2823.60

AMOUNT PAID

757491
JOHNSON UTILITIES LLC
5230 EAST SHEA BLVD
STE 200
SCOTTSDALE AZ 85254-5750

REMIT TO

ES OPCI USA LLC
PO BOX 7410137
CHICAGO IL 60674-0137



TOLL FREE 855-365-3322 AZ 855329263

CUST WHSE: T9
SHIP WHSE: T9

ORDER DATE	03/31/21
ORDER NUMBER	PX324966

CUSTOMER P.O. NUMBER ANGIE-EMAIL

CURRENCY: USD
CUSTOMER NO: 757491

CUSTOMER NO: 757491 001

SHIP TO
JOHNSON UTILITIES LLC
8465 W. GCGILLO RD
FLORENCE, AZ 85132
480 798 0413

BILL TO
JOHNSON UTILITIES LLC
5230 EAST SHEA BLVD
STE 200
SCOTTSDALE, AZ 85254
602-526-8936

SHIP DATE	SHIP VIA	FREIGHT TERMS	IN. SALES
04/08/21	ISS ACCOUNT REP DELIVERY	COLLECT	EXDP
F.O.B.		DELIVERY CONTACT	DELIVERY PHONE
DELIVERED		JED EDWARD LANT	480 798 0413
CREDIT TERMS		OUTSIDE SALES	TAX %
NET 30 DAYS		ANGIE POMERO	DEPT. 05

PRODUCT DESCRIPTION	QTY. SHIPPED	QUANTITY B/O
***** ORDER MESSAGES ***** * DUE TO THE COVID-19 PANDEMIC ALL SALES ARE FINAL * MERCHANDISE RETURNS WILL BE SUBJECT TO RESTOCK CHARGES *****		

001 ALTOSID 56GII +0LB BG
100518214 AGCY
*** GRAN BAG

B11647 20 BG
ES CENTR EPA NO: 75318-B-89439
1.0000 BG BG

NO. OF PKGS = 3 TOT NET WT = 200.00 TOT GRS WT = 203.00

3

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DELIVERED BY	FREIGHT AMT.	TOTAL MDSE.	TOTAL QTY.	RECEIVED BY
				Acron P. Owens

SCHEDULES

EPCOR Water Arizona, Inc. - San Tan Wastewater District
Test Year Ended August 31, 2019
Computation of Increase in Gross Revenue
Requirements As RUCO Adjusted

Exhibit
Supplemental Schedule A-1
Page 1
Witness: Radigan

Line			
No.			
1	Fair Value Rate Base	\$	44,382
2			
3	Adjusted Operating Income		(967)
4			
5	Current Operating Income		-12.42%
6			
7	Required Operating Income	\$	3,193
8			
9	Required Rate of Return		7.19%
10			
11	Operating Income Deficiency	\$	4,160
12			
13	Gross Revenue Conversion Factor		1.3602
14			
15	Increase in Gross Revenue		
16	Requirement	\$	5,659
17			
18	Adjusted Test Year Revenues	\$	19,432,922
19	Increase in Gross Revenue Revenue Requirement	\$	5,659
20	Proposed Revenue Requirement	\$	19,438,581
21	% Increase		0.03%
22			

EPCOR Water Arizona, Inc. - San Tan Wastewater District
Test Year Ended August 31, 2019
Summary of Rate Base

Exhibit
Supplemental Schedule B-1
Page 1
Witness: Radigan

Line No.		<u>Original Cost</u> <u>Rate base</u>	<u>Fair Value</u> <u>Rate Base</u>
1			
2	Gross Utility Plant in Service	\$ 175,819,109	\$ 175,819,109
3	Less: Accumulated Depreciation	69,413,561	69,413,561
4			
5	Net Utility Plant in Service	\$ 106,405,548	\$ 106,405,548
6			
7	<u>Less:</u>		
8	Advances in Aid of Construction	72,409,096	72,409,096
9			
10	Contributions in Aid of Construction	60,549,964	60,549,964
11			
12	Accumulated Amortization of CIAC	(27,280,308)	(27,280,308)
13			
14	Customer Meter Deposits	1,037,093	1,037,093
15	Deferred Income Taxes & Credits	483,567	483,567
16			
17			
18			
19	<u>Plus:</u>		
20			
21			
22	Prepayments	5,843	5,843
23	Materials and Supplies	313,255	313,255
24	Allowance for Cash Working Capital	519,146	519,146
25			
26	Total Rate Base	<u>\$ 44,382</u>	<u>\$ 44,382</u>
27			
28			
29			
30			
31			
32	<u>SUPPORTING SCHEDULES:</u>		
33	B-2		
34	B-3		
35	B-5		
36	E-1		
37			
38			
39			
40			

EPCOR Water Arizona, Inc. - San Tan Wastewater District
Test Year Ended August 31, 2019
Original Cost Rate Base Proforma Adjustments

Exhibit
Supplemental Schedule B-2
Page 1
Witness: Radigan

Line No.		Actual at End of Test Year	Proforma Adjustment	Adjusted at end of Test Year
1	Gross Utility			
2	Plant in Service	\$ 175,823,007	(3,898)	\$ 175,819,109
3				
4	Less:			
5	Accumulated			
6	Depreciation	69,489,857	(76,296)	69,413,561
7				
8				
9	Net Utility Plant			
10	in Service	\$ 106,333,150		\$ 106,405,548
11				
12	Less:			
13	Advances in Aid of			
14	Construction	72,409,096	-	72,409,096
15				
16	Contributions in Aid of			
17	Construction - Gross	62,001,946	(1,451,982)	60,549,964
18				
19	Accumulated Amortization of CIAC	(21,469,907)	(5,810,401)	(27,280,308)
20				
21	Customer Meter Deposits	1,037,093		1,037,093
22	Accumulated Deferred Income Tax	-	483,567	483,567
23				-
24				-
25				
26	Plus:			
27				
28				
29	Prepayments	5,843		5,843
30	Materials and Supplies	313,255		313,255
31	Allowance for Cash Working Capital	-	519,146	519,146
32				-
33				
34	Total	<u>\$ (7,325,980)</u>		<u>\$ 44,382</u>

SUPPORTING SCHEDULES:
B-2, pages 2
E-1

RECAP SCHEDULES:
B-1

EPCOR Water Arizona, Inc. - San Tan Wastewater District
Test Year Ended August 31, 2019
Original Cost Rate Base Proforma Adjustments

Exhibit
Supplemental Schedule B-2
Page 2
Witness: Radigan

Line No.		Actual at End of Test Year	1 Plant-in-Service	2 Accumulated Depreciation	Proforma Adjustments			5 Working Capital	Adjusted at end of Test Year
					3 CIAC	4 ADIT			
1	Gross Utility								
2	Plant in Service	\$ 175,823,007	(3,898)						\$ 175,819,109
3									
4	Less:								
5	Accumulated								
6	Depreciation	69,489,857		(76,296)					69,413,561
7									
8									
9	Net Utility Plant								
10	in Service	\$ 106,333,150	\$ (3,898)	\$ 76,296	\$ -	\$ -	\$ -		\$ 106,405,548
11									
12	Less:								
13	Advances in Aid of								
14	Construction	72,409,096							72,409,096
15									
16	Contributions in Aid of								
17	Construction (CIAC)	62,001,946			(1,451,982)				60,549,964
18									
19	Accumulated Amort of CIAC	(21,469,907)			(5,810,401)				(27,280,308)
20									
21	Customer Deposits	1,037,093							1,037,093
22									
23	Accumulated Deferred Income Taxes	-				483,567			483,567
24									
25									
26	Plus:								
27									
28									
29	Prepayments	5,843							5,843
30	Materials and Supplies	313,255							313,255
31	Allowance for Cash Working Capital	-					519,146		519,146
32									
33	Total	\$ (7,325,980)	\$ (3,898)	\$ 76,296	\$ 7,262,384	\$ (483,567)	\$ 519,146		\$ 44,382

SUPPORTING SCHEDULES:

B-2, pages 3-6

B-5

E-1

RECAP SCHEDULES:

B-1

EPCOR Water Arizona, Inc. - San Tan Wastewater District
Test Year Ended August 31, 2019
Original Cost Rate Base Proforma Adjustments

Exhibit
Supplemental Schedule B-2
Page 2
Witness: Radigan

Line No.		Actual at End of Test Year	1 Plant-in-Service	2 Accumulated Depreciation	Proforma Adjustments			5 Working Capital	Adjusted at end of Test Year
					3 CIAC	4 ADIT			
1	Gross Utility								
2	Plant in Service	\$ 175,823,007	(3,898)						\$ 175,819,109
3									
4	Less:								
5	Accumulated								
6	Depreciation	69,489,857		(76,296)					69,413,561
7									
8									
9	Net Utility Plant								
10	in Service	\$ 106,333,150	\$ (3,898)	\$ 76,296	\$ -	\$ -	\$ -		\$ 106,405,548
11									
12	Less:								
13	Advances in Aid of								
14	Construction	72,409,096							72,409,096
15									
16	Contributions in Aid of								
17	Construction (CIAC)	62,001,946			(1,451,982)				60,549,964
18									
19	Accumulated Amort of CIAC	(21,469,907)			(5,810,401)				(27,280,308)
20									
21	Customer Deposits	1,037,093							1,037,093
22									
23	Accumulated Deferred Income Taxes	-				483,567			483,567
24									
25									
26	Plus:								
27									
28									
29	Prepayments	5,843							5,843
30	Materials and Supplies	313,255							313,255
31	Allowance for Cash Working Capital	-					519,146		519,146
32									
33	Total	\$ (7,325,980)	\$ (3,898)	\$ 76,296	\$ 7,262,384	\$ (483,567)	\$ 519,146		\$ 44,382

SUPPORTING SCHEDULES:

B-2, pages 3-6

B-5

E-1

RECAP SCHEDULES:

B-1

EPCOR Water Arizona, Inc. - San Tan Wastewater District

Test Year Ended August 31, 2019

Cash Working Capital

Exhibit

Supplemental Schedule B-5

Page 1

Witness: Radigan

Line No.	Description	Proforma Test Year Amount ¹	Revenue Lag (Lead) Days	Expense Lag (Lead) Days	Net Lag (Lead) Days Col. C - Col. D	Lead/Lag Factor Col. E/365	Cash Working Capital Required Col. B * Col. F
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
7	OPERATING EXPENSES						
8	Salaries and Wages	\$ -	-	-	-	-	\$ -
9	Salaries and Wages - Officers, Directors	-	-	-	-	-	-
10	Employee Pensions and Benefits	-	-	-	-	-	-
11	Sludge Removal Expense	765,972	49.58	47.73	1.85	0.005082	3,892
12	Purchased Power	1,097,749	49.58	28.34	21.24	0.058205	63,894
13	Fuel for Power Production	9,630	49.58	28.40	21.18	0.058041	559
14	Chemicals	903,964	49.58	40.33	9.25	0.025356	22,921
15	Materials and Supplies	219,468	49.58	35.24	14.34	0.039301	8,625
16	Repairs and Maintenance	1,130,637	49.58	28.88	20.70	0.056725	64,136
17	Office Supplies	50,793	49.58	38.31	11.27	0.030890	1,569
18	Contractual Services - Engineering	377,716	49.58	51.68	(2.10)	(0.005740)	(2,168)
19	Contractual Services - Accounting	9,272	49.58	40.75	8.83	0.024205	224
20	Contractual Services - Legal	322,676	49.58	58.46	(8.88)	(0.024316)	(7,846)
21	Contractual Services - Management Fees	3,854,754	49.58	25.00	24.58	0.067356	259,639
22	Contractual Services - Other	2,022,738	49.58	24.50	25.08	0.068725	139,014
23	Contractual Services - Testing	1,534,531	49.58	7.27	42.31	0.115931	177,900
24	Rents	690,619	49.58	19.45	30.13	0.082561	57,018
25	Transportation	52,973	49.58	8.50	41.08	0.112561	5,963
26	Insurance	177,615	49.58	(182.50)	232.08	0.635849	112,936
27	Bad Debt Expense	115,909	-	-	-	-	-
28	Miscellaneous	525,036	49.58	37.97	11.61	0.031821	16,707
29				-			
30							
31							
32							
33	TAXES						
34	General Taxes-Property ¹	\$ 904,378	49.58	213.96	(164.37)	(0.45033846)	\$ (407,276)
35	General Taxes-Other	-	49.58	-	49.58	0.13584875	-
36	Income Tax ¹	41,733	49.58	37.00	12.58	0.03447889	1,439
37							
38	OTHER						
39							
40							
41	TOTAL	<u>\$ 14,808,161</u>					<u>\$ 519,146</u>
42							
43							
44							
45							
46							
47							
48							
49							
50							
51							

¹At proposed rates.

RECAP SCHEDULES:

B-2, page 2

EPCOR Water Arizona, Inc. - San Tan Wastewater District
Test Year Ended August 31, 2019
Income Statement

Exhibit
Supplemental Schedule C-1
Page 1
Witness: Radigan

Line No.		Test Year Book Results	Company & RUCO Adjustments	Test Year Adjusted Results	RUCO Proposed Rate Increase	Adjusted with Rate Increase
1	Revenues					
2	Flat Rate Revenues	\$ 18,596,119	\$ 407,060	\$ 19,003,179	\$ 5,659	\$ 19,008,838
3	Metered Revenues	-	-	-	-	-
4	Other Revenues	429,743	-	429,743	-	429,743
5		<u>\$ 19,025,862</u>	<u>\$ 407,060</u>	<u>\$ 19,432,922</u>	<u>\$ 5,659</u>	<u>\$ 19,438,581</u>
6	Operating Expenses					
7	Salaries and Wages	\$ -	-	\$ -	-	\$ -
8	Salaries and Wages - Officers, Directors	-	-	-	-	-
9	Employee Pensions and Benefits	-	-	-	-	-
10	Sludge Removal Expense	956,703	(190,732)	765,972	-	765,972
11	Purchased Power	1,097,165	584	1,097,749	-	1,097,749
12	Fuel for Power Production	9,630	-	9,630	-	9,630
13	Chemicals	903,483	481	903,964	-	903,964
14	Materials and Supplies	219,468	-	219,468	-	219,468
15	Repairs and Maintenance	1,130,637	-	1,130,637	-	1,130,637
16	Office Supplies	46,975	3,818	50,793	-	50,793
17	Contractual Services - Engineering	377,716	-	377,716	-	377,716
18	Contractual Services - Accounting	9,272	-	9,272	-	9,272
19	Contractual Services - Legal	1,935,943	(1,613,267)	322,676	-	322,676
20	Contractual Services - Management Fees	3,859,830	(5,076)	3,854,754	-	3,854,754
21	Contractual Services - Other	2,066,493	(43,755)	2,022,738	-	2,022,738
22	Contractual Services - Testing	1,534,531	-	1,534,531	-	1,534,531
23	Rents	1,473,384	(782,765)	690,619	-	690,619
24	Transportation	52,973	-	52,973	-	52,973
25	Insurance	177,615	-	177,615	-	177,615
26	Regulatory Comm. Expense - Amortization	-	-	-	-	-
27	Regulatory Comm. Expense - Other	71,109	-	71,109	-	71,109
28	Bad Debt Expense	251,767	(135,892)	115,875	34	115,909
29	Miscellaneous Expense	525,036	-	525,036	-	525,036
30	Depreciation and Amortization	4,786,549	(171,826)	4,614,723	-	4,614,723
31	Taxes Other Than Income	-	-	-	-	-
32	Property Taxes	864,848	39,442	904,290	88	904,378
33	Income Tax	-	(18,249)	(18,249)	59,982	41,733
34	Total Operating Expenses	<u>\$ 22,351,126</u>	<u>\$ (2,917,237)</u>	<u>\$ 19,433,889</u>	<u>\$ 60,103</u>	<u>\$ 19,493,993</u>
35	Operating Income	<u>\$ (3,325,264)</u>	<u>\$ 3,324,297</u>	<u>\$ (967)</u>	<u>\$ (54,445)</u>	<u>\$ (55,412)</u>
36	Other Income (Expense)					
37	Interest Income	135,666	-	135,666	-	135,666
38	Other income	28,113	-	28,113	-	28,113
39	Interest Expense	(62,057)	123,297	61,240	-	61,240
40	Other Expense	(269,694)	-	(269,694)	-	(269,694)
41	Gain/Loss Sale of Fixed Assets	-	-	-	-	-
42	Total Other Income (Expense)	<u>\$ (167,973)</u>	<u>\$ 123,297</u>	<u>\$ (44,676)</u>	<u>\$ -</u>	<u>\$ (44,676)</u>
43	Net Profit (Loss)	<u>\$ (3,493,237)</u>	<u>\$ 3,447,594</u>	<u>\$ (45,643)</u>	<u>\$ (54,445)</u>	<u>\$ (100,088)</u>

SUPPORTING SCHEDULES:

C-1, page 2
E-2

RECAP SCHEDULES:

A-1

EPCOR Water Arizona, Inc. - San Tan Wastewater District

Test Year Ended August 31, 2019

Income Statement

RUCO Proposed

Exhibit
Supplemental Schedule C-1

Page 2.1

Witness: Radigan

Line No.	LABEL>>>>> Test Year Book Results	1 Depreciation	2 Property Taxes	3 Bad Debt Expense	4 Billing Adjustment	5 Revenue Annualization	6 Intentionally Left Blank
1	Revenues						
2	Flat Rate Revenues	\$ 18,596,119			\$ 77,444	329,616	
3		-					
4	Misc Service Revenues	429,743					
5		\$ 19,025,862	\$ -	\$ -	\$ 77,444	\$ 329,616	\$ -
6	Operating Expenses						
7	Salaries and Wages	\$ -					
8	Salaries and Wages - Officers, Directors	-					
9	Employee Pensions and Benefits	-					
10	Sludge Removal Expense	956,703				509	
11	Purchased Power	1,097,165				584	
12	Fuel for Power Production	9,630					
13	Chemicals	903,483			-	481	
14	Materials and Supplies	219,468					
15	Repairs and Maintenance	1,130,637					
16	Office Supplies	46,975				3,818	
17	Contractual Services - Engineering	377,716					
18	Contractual Services - Accounting	9,272					
19	Contractual Services - Legal	1,935,943					
20	Contractual Services - Management Fees	3,859,830					
21	Contractual Services - Other	2,066,493					
22	Contractual Services - Testing	1,534,531					
23	Rents	1,473,384					
24	Transportation	52,973					
25	Insurance	177,615					
26	Regulatory Comm. Expense - Amortization	-					
27	Regulatory Comm. Expense - Other	71,109					
28	Bad Debt Expense	251,767		(135,892)			
29	Miscellaneous Expense	525,036					
30	Depreciation and Amortization	4,786,549	(171,826)				
31	Taxes Other Than Income	-					
32	Property Taxes	864,848	39,442				
33	Income Tax	-					
34							
35	Total Operating Expenses	\$ 22,351,126	\$ (171,826)	\$ 39,442	\$ (135,892)	\$ 5,392	\$ -
36	Operating Income	\$ (3,325,264)	\$ 171,826	\$ (39,442)	\$ 135,892	\$ 77,444	\$ 324,225
37	Other Income (Expense)						
38	Interest Income	135,666					
39	Other income	28,113					
40	Interest Expense	(62,057)					
41	Other Expense	(269,694)					
42	Gain/Loss Sale of Fixed Assets	-					
43	Total Other Income (Expense)	\$ (167,973)	\$ -	\$ -	\$ -	\$ -	\$ -
44	Net Profit (Loss)	\$ (3,493,237)	\$ 171,826	\$ (39,442)	\$ 135,892	\$ 77,444	\$ 324,225
45							
46	SUPPORTING SCHEDULES:						
47	C-2						
48	E-2						

<u>7</u> Normalize Management Fees	<u>8</u> Management Fees Not Recorded	<u>9</u> Normalize Contractual Services	<u>10</u> Interest Synch.	<u>11</u> Income tax	Test Year Adjusted Results	RUCO Adjustments	RUCO Test Year Adjusted Results	RUCO Proposed Rate Increase	Adjusted with Rate Increase
					\$ 19,003,179		\$ 19,003,179	\$ 5,659	\$ 19,008,838
					-		\$ -		-
					429,743		429,743		429,743
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,432,922		\$ 19,432,922	\$ 5,659	\$ 19,438,581
					\$ -		\$ -		\$ -
					-		-		-
					957,213	(191,241)	765,972		765,972
					1,097,749		1,097,749		1,097,749
					9,630		9,630		9,630
					903,964		903,964		903,964
					219,468		219,468		219,468
					1,130,637		1,130,637		1,130,637
					50,793		50,793		50,793
					377,716		377,716		377,716
					9,272		9,272		9,272
		(826,698)			1,109,244	(786,568)	322,676		322,676
1,574,774	268,028				5,702,632	(1,847,877)	3,854,754		3,854,754
					2,066,493	(43,755)	2,022,738		2,022,738
					1,534,531		1,534,531		1,534,531
		(457,753)			1,015,631	(325,012)	690,619		690,619
					52,973		52,973		52,973
					177,615		177,615		177,615
					-		-		-
					71,109		71,109		71,109
					115,875		115,875	34	115,909
					525,036		525,036		525,036
					4,614,723		4,614,723		4,614,723
					-		-		-
					904,290		904,290	88	904,378
				(799,985)	(799,985)	781,736	(18,249)	59,982	41,733
\$ 1,574,774	\$ 268,028	\$ (1,284,451)	\$ -	\$ (799,985)	\$ 21,846,607	\$ (2,412,717)	\$ 19,433,889	\$ 60,103	\$ 19,493,993
\$ (1,574,774)	\$ (268,028)	\$ 1,284,451	\$ -	\$ 799,985	\$ (2,413,685)	\$ 2,412,717	\$ (967)	\$ (54,445)	\$ (55,412)
					135,666		135,666		135,666
					28,113		28,113		28,113
			123,297		61,240		61,240		61,240
					(269,694)		(269,694)		(269,694)
\$ -	\$ -	\$ -	\$ 123,297	\$ -	\$ (44,676)	\$ -	\$ (44,676)	\$ -	\$ (44,676)
\$ (1,574,774)	\$ (268,028)	\$ 1,284,451	\$ 123,297	\$ 799,985	\$ (2,458,361)	\$ 2,412,717	\$ (45,643)	\$ (54,445)	\$ (100,088)

EPCOR Water Arizona, Inc. - San Tan Wastewater District
Test Year Ended August 31, 2019
Adjustments to Revenues and Expenses

Exhibit
Supplemental Schedule C-2
Page 1
Witness: Radigan

Line No.	<u>Adjustments to Revenues and Expenses</u>						<u>Subtotal</u>	
1	1							
2	Bad						2	
3	<u>Debt Expense</u>						<u>Normalize Management Fees</u>	
4	Revenues	-						-
5								
6	Expenses	34						(900,000)
7								
8	Operating							
9	Income	(34)						900,000
10								899,966
11	Interest							
12	Expense	-	-	-	-	-	-	
13	Other							
14	Income /							-
15	Expense							
16								
17	Net Income	-	-	(34)	-	900,000	-	
18								899,966
19								
20	<u>Adjustments to Revenues and Expenses</u>							
21	3	4	5	6	7	8	<u>Subtotal</u>	
22								
23	<u>Payroll Costs</u>	<u>Legal Fees</u>	<u>Eliminate Athena</u>	<u>Adj. to Office Rent</u>	<u>Club at Oasis Payment</u>	<u>Sludge Disposal</u>		
24								
25	Revenues	-	-	-	-	-	-	
26								
27	Expenses	(947,877)	(786,568)	(156,107)	(168,905)	(43,755)	(191,241)	
28								(2,294,454)
29	Operating							
30	Income	947,877	786,568	156,107	168,905	43,755	191,241	
31								2,294,454
32	Interest							
33	Expense							-
34	Other							
35	Income /							-
36	Expense							
37								
38	Net Income	947,877	786,568	156,107	168,905	43,755	191,241	
39								3,194,420
40								

EPCOR Water Arizona, Inc. - San Tan Wastewater District
Test Year Ended August 31, 2019
Adjustment to Revenues and Expenses
Adjustment Number 1

Exhibit
Supplemental Schedule C-2
Page 2
Witness: Radigan

Bad Debt Expense

	<u>Present Rates</u>	<u>Proposed Rates</u>
Revenues	\$ 19,432,922	\$ 19,438,581
Bad Debt Expense Rate (historical 3-year average)	0.5963%	0.5963%
Bad Debt Expense at Present Rates	\$ 115,875	
TY Bad Debt Expense	\$ 251,767	
Increase (decrease) in Bad Debt Expense at Present Rates	\$ (135,892)	
Bad Debt Expense at Proposed Rates		\$ 115,909
Adjusted TY Bad Debt Expense		\$ 115,875
Increase in Bad Debt Expense at Proposed Rates		\$ 34

Increase(decrease) Bad Debt Expense	<u>\$ (135,892)</u>	<u>\$ 34</u>
Adjustment to Revenue and/or Expense	<u>\$ (135,892)</u>	<u>\$ 34</u>

SUPPORTING SCHEDULES
Work Papers

EPCOR Water Arizona, Inc. - San Tan Wastewater District
Test Year Ended August 31, 2019
Adjustment to Revenues and Expenses
Adjustment Number 2

Exhibit
Schedule C-2
Page 3
Witness: Radigan

Normalize Management Fee Labor

Co. Request	\$ 1,727,694
RUCO Recommendation	\$ 827,694
Increase (decrease) in Contractual Services - Management	<u>\$ (900,000)</u>
Adjustment to Revenue and/or Expense	<u>\$ (900,000)</u>

SUPPORTING SCHEDULES
Work Papers

EPCOR Water Arizona, Inc. - San Tan Wastewater District
Test Year Ended August 31, 2019
Adjustment to Revenues and Expenses
Adjustment Number 3

Exhibit
Schedule C-2
Page 4
Witness: Radigan

Payroll and Benefits

Co. Normalized Labor	\$	3,399,809	
Co. Normalized Benefits		<u>293,523</u>	
	\$		3,693,332
RUCO	\$	2,511,078	
RUCO Benefits		<u>234,377</u>	
	\$		<u>2,745,455</u>
Increase (decrease) in Contractual Services - Management	\$		(947,877)
Increase (decrease) in Contractual Services - Management			<u><u>\$ (947,877)</u></u>
Adjustment to Revenue and/or Expense	\$		<u>(947,877)</u>

SUPPORTING SCHEDULES
Work Papers
H-1

EPCOR Water Arizona, Inc. - San Tan Wastewater District

Test Year Ended August 31, 2019
Adjustment to Revenues and Expenses
Adjustments Number 4-6

Exhibit
Schedule C-2
Page 5
Witness: Radigan

Normalize Contractual ServicesContractual Services - Legal

2017 Contractual Services - Legal	\$	322,676	
2018 Contractual Services - Legal	\$	1,069,115	
2019 Contractual Services - Legal	\$	1,935,943	
Co. Recommendation	\$	1,109,244	
RUCO Recommendation	\$	322,676	
Increase (decrease) in Contractual Services - Legal	\$	(786,568)	Adj No. 4

Rents

2017 Rents	\$	620,217	
2018 Rents	\$	953,292	
2019 Rents	\$	1,473,384	
Co. Recommendation	\$	1,015,631	
Adjustment to Office Rent	\$	(156,107)	Adj No. 5
Eliminated Athena Rent	\$	(168,905)	Adj No. 6
RUCO Recommendation	\$	690,619	
Increase (decrease) in Rents	\$	(325,012)	
Adjustment to Revenue and/or Expense	\$	(1,111,580)	

Reference

E-2
Testimony

EPCOR Water Arizona, Inc. - San Tan Wastewater District
Test Year Ended December 31, 2001
Adjustment to Revenues and Expenses
Adjustment Number 7

Exhibit
Schedule C-2
Page 6
Witness: Radigan

Club at Oasis

Co. Recommendation	\$	85,755
--------------------	----	--------

RUCO Recommendation	\$	42,000
---------------------	----	--------

Increase (decrease) in Contract Services - Other	\$	(43,755)
--	----	----------

Adj No. 7

EPCOR Water Arizona, Inc. - San Tan Wastewater District
Test Year Ended August 31, 2019
Adjustment to Revenues and Expenses
Adjustment Number 9

Exhibit
Schedule C-2
Page 10
Witness: Radigan

Sludge Removal Expense

Co. Recommendation	\$	956,703
--------------------	----	---------

RUCO Recommendation	\$	765,462
---------------------	----	---------

Increase (decrease) in Contrct Services - Other	\$	(191,241)
---	----	-----------

Adj No. 8

EPCOR Water Arizona, Inc. - San Tan Wastewater District
 Test Year Ended August 31, 2019
 Computation of Gross Revenue Conversion Factor

Exhibit
 Supplemental Schedule C-3
 Page 1
 Witness: Radigan

Line No.	Description	Percentage of Incremental Gross Revenues
1	Combined Federal and State Effective Income Tax Rate	24.8710%
2		
3	Property Taxes	1.1636%
4		
5	Bad Debt Expense	0.4480%
6		
7		
8	Total Tax Percentage	26.4825%
9		
10	Operating Income % = 100% - Tax Percentage	73.5175%
11		
12		
13		
14		
15	$\frac{1}{\text{Operating Income \%}}$ = Gross Revenue Conversion Factor	
16		1.3602
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27	<u>SUPPORTING SCHEDULES:</u>	<u>RECAP SCHEDULES:</u>
28	C-3, page 2	A-1
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		

EPCOR Water Arizona, Inc. - San Tan Wastewater District
Test Year Ended August 31, 2019
Summary of Cost of Capital

Exhibit
Supplemental Schedule D-1
Page 1
Witness: Radigan

Consolidated Capital Structure of Water and Wastewater Districts

Line No.	Item of Capital	<u>End of Test Year</u>				<u>End of Projected Year</u>				<u>Proposed</u>			
		<u>Dollar Amount</u>	<u>Percent of Total</u>	<u>Cost Rate</u>	<u>Weighted Cost</u>	<u>Dollar Amount</u>	<u>Percent of Total</u>	<u>Cost Rate</u>	<u>Weighted Cost</u>	<u>Dollar Amount</u>	<u>Percent of Total</u>	<u>Cost Rate</u>	<u>Weighted Cost*</u>
1	Long-Term Debt	839,107	-50.28%	9.430%	-4.74%	2,148,057	42.31%	4.35%	1.84%	2,148,057	42.31%	4.35%	1.84%
2													
3	Member Equity	(2,508,005)	150.28%	N/A	N/A	2,928,892	57.69%	N/A	N/A	2,928,892	57.69%	9.28%	5.35%
4													
5	Totals	<u>(1,668,898)</u>	<u>100.00%</u>		<u>N/A</u>	<u>5,076,949</u>	<u>100.00%</u>		<u>N/A</u>	<u>5,076,949</u>	<u>100.00%</u>		<u>7.19%</u>
6													
7													
8													
9													

* Company proposes an operating margin for both divisions instead of rate of return.

SUPPORTING SCHEDULES:

D-1
D-3
D-4
E-1
Testimony
Work Papers

EPCOR Arizona, Inc. - San Tan Wastewater District
Test Year Ended August 31, 2019
Revenue Summary
With Annualized Revenues to Year End Number of Customers

Exhibit
Supplemental Schedule H-1
Page 1
Witness: Radigan

RUCO - Recommended Revenue Increase

<u>Line No.</u>	<u>Meter Size</u>	<u>Class</u>	<u>Present Revenues</u>	<u>Proposed Revenues</u>	<u>Dollar Change</u>	<u>Percent Change</u>
1	5/8x3/4 Inch	Residential	\$ 34,160	\$ 34,170	\$ 10	0.03%
2	3/4 Inch	Residential	17,824,338	\$ 17,829,646	5,308	0.03%
3	1 Inch	Residential	69,865	\$ 69,886	21	0.03%
4	1.5 Inch	Residential	735	\$ 735	0	0.03%
5	2 Inch	Residential	1,185	\$ 1,186	0	0.03%
6						
7		Subtotal	17,930,284	17,935,623	5,340	0.03%
8						
9	3/4 Inch	Commercial	\$ 7,181	\$ 7,183	2	0.03%
10	1 Inch	Commercial	11,923	\$ 11,927	4	0.03%
11	1.5 Inch	Commercial	16,234	\$ 16,239	5	0.03%
12	2 Inch	Commercial	87,313	\$ 87,339	26	0.03%
13	3 Inch	Commercial	9,419	\$ 9,422	3	0.03%
14	4 Inch	Commercial	27,124	\$ 27,132	8	0.03%
15	6 Inch	Commercial	12,270	\$ 12,274	4	0.03%
16		Subtotal	\$ 171,464	\$ 171,515	\$ 51	0.03%
17						
18	1.5 Inch	Public Authority	\$ 2,205	\$ 2,206	\$ 1	0.03%
19	2 Inch	Public Authority	14,223	\$ 14,227	4	0.03%
20	3 Inch	Public Authority	14,129	\$ 14,133	4	0.03%
21	4 Inch	Public Authority	34,659	\$ 34,669	10	0.03%
22	6 Inch	Public Authority	25,563	\$ 25,571	8	0.03%
23		Subtotal	\$ 90,779	\$ 90,806	27	0.03%
24						
25		Effluent	\$ 481,036	\$ 481,180	143	0.03%
26						
27						
28	Total Revenues Before Annualization		\$ 18,673,563	\$ 18,679,124	\$ 5,561	0.03%
29						
30						
31						
32						

EPCOR Arizona, Inc. - San Tan Wastewater District
Test Year Ended August 31, 2019
Revenue Summary
With Annualized Revenues to Year End Number of Customers

Exhibit
Supplemental Schedule H-1
Page 2
Witness: Radigan

RUCO - Recommended Revenue Increase

<u>Line No.</u>			<u>Revenue Annualization</u>			
	<u>Meter Size</u>	<u>Class</u>	<u>Present Revenues</u>	<u>Proposed Revenues</u>	<u>Dollar Change</u>	<u>Percent Change</u>
1						
2						
3						
4						
5	5/8x3/4 Inch	Residential	\$ 72	\$ 72	0	0.03%
6	3/4 Inch	Residential	316,785	\$ 316,879	94	0.03%
7	1 Inch	Residential	10,544	\$ 10,547	3	0.03%
8	1.5 Inch	Residential	-	-	-	0.00%
9	2 Inch	Residential	-	-	-	0.00%
10						
11		Subtotal	\$ 327,401	\$ 327,498	\$ 97	0.03%
12						
13	3/4 Inch	Commercial	\$ (118)	\$ (118)	(0)	0.00%
14	1 Inch	Commercial	493	\$ 493	0	0.03%
15	1.5 Inch	Commercial	(61)	\$ (61)	(0)	0.00%
16	2 Inch	Commercial	395	\$ 395	0	0.03%
17	3 Inch	Commercial	-	-	-	0.00%
18	4 Inch	Commercial	-	-	-	0.00%
19	6 Inch	Commercial	-	-	-	0.00%
20		Subtotal	\$ 709	\$ 709	\$ 0	0.03%
21						
22	1.5 Inch	Public Authority	-	-	-	0.00%
23	2 Inch	Public Authority	-	-	-	0.00%
24	3 Inch	Public Authority	-	-	-	0.00%
25	4 Inch	Public Authority	1,507	\$ 1,507	0	0.03%
26	6 Inch	Public Authority	-	-	-	0.00%
27		Subtotal	\$ 1,507	\$ 1,507	\$ 0	0.03%
28						
29						
30						
31	Total Revenue Annualization		\$ 329,616	\$ 329,714	\$ 98	0.03%
32						

EPCOR Arizona, Inc. - San Tan Wastewater District
Test Year Ended August 31, 2019
Revenue Summary
With Annualized Revenues to Year End Number of Customers

Exhibit
Supplemental Schedule H-1
Page 3
Witness: Radigan

RUCO - Recommended Revenue Increase

**Line
No.**

1		Present	Proposed	Dollar	Percent
2		<u>Revenues</u>	<u>Revenues</u>	<u>Change</u>	<u>Change</u>
3	Subtotal Wastewater Revenues	\$ 18,673,563	\$ 18,679,124	\$ 5,561	0.03%
4	Subtotal Revenue Annualization	329,616	329,714	98	0.03%
5	Total Revenues	\$ 19,003,179	\$ 19,008,838	\$ 5,659	0.03%
6					
7	Misc. Revenues	\$ 429,743	\$ 429,743	-	0.00%
8	Reconciling Amount (Tolerance)	-	-	-	0.00%
9	Total Wastewater Revenues	<u>\$ 19,432,922</u>	<u>\$ 19,438,581</u>	<u>\$ 5,659</u>	<u>0.03%</u>
10					
11					
12	<u>Revenue Reconciliation</u>				
13	Revenues per Bill Count before Annualization			\$ 18,673,563	
14	Revenue Per GL		\$ 18,596,119		
15	Billing Corrections (reflected on C-1)		77,444		
16					
17	Adjusted GL Revenues			<u>\$ 18,673,563</u>	
18	Difference			\$ -	
19					
20	Difference %			0.00%	
21	Tolerance %			0.00%	
22	Tolerance Amount + or -			\$ -	
23					
24	Acceptable?			YES	
25					
26					

EPCOR Arizona, Inc. - San Tan Wastewater District
Test Year Ended August 31, 2019
Customer Summary

Exhibit
Supplemental Schedule H-2
Page 1
Witness: Radigan

RUCO Proposed Rates

Line No.	Meter Size, Class	(a) Average Number of Customers at 10/8/2021	Average Bill		Proposed Increase	
			Present Rates	Proposed Rates	Dollar Amount	Percent Amount
1	5/8x3/4 Inch Residential	79	\$ 36.11	\$ 36.12	\$ 0.01	0.03%
2	3/4 Inch Residential	37,853	39.24	\$ 39.25	\$ 0.01	0.03%
3	1 Inch Residential	118	49.27	\$ 49.28	\$ 0.01	0.03%
4	1.5 Inch Residential	1	-	-	-	0.00%
5	2 Inch Residential	1	-	-	-	0.00%
6	Subtotal	37,973				
7						
8	3/4 Inch Commercial	15	\$ 39.24	\$ 39.25	0.01	0.03%
9	1 Inch Commercial	20	49.27	\$ 49.28	0.01	0.03%
10	1.5 Inch Commercial	22	61.26	\$ 61.28	0.02	0.03%
11	2 Inch Commercial	74	98.77	\$ 98.80	0.03	0.03%
12	3 Inch Commercial	2	392.46	\$ 392.58	0.12	0.03%
13	4 Inch Commercial	3	753.45	\$ 753.67	0.22	0.03%
14	6 Inch Commercial	1	1,022.52	\$ 1,022.82	0.30	0.03%
15	Subtotal	137				
16						
17	1.5 Inch Public Authority	-	\$ -	\$ -	\$ -	0.00%
18	2 Inch Public Authority	-	99	\$ 98.80	0.03	0.03%
19	3 Inch Public Authority	3	392	\$ 392.58	0.12	0.03%
20	4 Inch Public Authority	4	753	\$ 753.67	0.22	0.03%
21	6 Inch Public Authority	2	1,023	\$ 1,022.82	0.30	0.03%
22	Subtotal	9				
23						
24						
25	Total	38,120				
26						

27 (a) Average number of customers of less than one (1), indicates that less than 12 bills were issued during the year.

EPCOR Arizona, Inc. - San Tan Wastewater District
Test Year Ended August 31, 2019
RUCO Present and Proposed Rates

Exhibit
Supplemental Schedule H-3
Page 1
Witness: Radigan

Line No.	Monthly Usage Charge for:	Present Rates	Proposed Rates	Percent Change
1	<u>All Classes</u>			
2	5/8 Inch	\$ 36.11	\$ 36.12	0.03%
1	3/4 Inch	39.24	39.25	0.03%
2	1 Inch	49.27	49.28	0.02%
3	1 1/2 Inch	61.26	61.28	0.03%
4	2 Inch	98.77	98.80	0.03%
5	3 Inch	392.46	392.58	0.03%
6	4 Inch	753.45	753.67	0.03%
7	6 Inch	1,022.52	1,022.82	0.03%
8	8 Inch	1,490.50	1,490.94	0.03%
9	10 Inch	2,143.03	2,143.67	0.03%
8				
9	Effluent Rate (per, 1000 gallons)	\$ 0.68	\$ 0.6800	0.00%
10	Effluent Rate (per, acre foot gallons)	221.58	221.58	
11				
12				
13	N/T = No Tariff			

EPCOR Arizona, Inc. - San Tan Wastewater District
Changes in Representative Rate Schedules
Test Year Ended August 31, 2019

Exhibit
Supplemental Schedule H-3
Page 2
Witness: Radigan

Line No.	Other Service Charges	Present Rates	Proposed Rates
1	Establishment	\$ 25.00	\$ 25.00
2	Establishment (After Hours)	\$ 40.00	remove
3	Deposit Requirement (Residential)	(a)	(a)
4	Deposit Requirement (Non Residential Meter)	(a)	(a)
5	Deposit Interest	(b)	(b)
6	Re-Establishment (With-in 12 Months)	(c)	(c)
7	Re-Establishment (After Hours)	(c)	(c)
8	NSF Check	\$ 15.00	\$ 25.00
9	Deferred Payment, Per Month	1.50%	1.50%
10	After hours service charge, per Rule R14-2-603D	Refer to Above Charges	\$ 40.00
11	Late Charge per month	1.5%	1.5%
12	Service Line Connection Charge	\$ 350.00	\$ 350.00
13	Main Extension Tariff, per Rule R14-2-606B	Cost	Cost
14	except refunds shall be based upon five percent (5%) of		
15	gross revenues from bonafide customers,		
16	until all advances are fully refunded to Developer.		
17	Off-site Facilities Hook-up Fee (See H-3, page 3)	(d)	(d)
18			
19			
20	(a) <u>Residential</u> - two times the estimated average monthly bill. <u>Non-residential</u> - two and one-half times the estimated		
21	maximum monthly bill.		
22	(b) Interest per Rule R14-2-603(B).		
23	(c) Minimum charge times number of full months off the system. per Rule R14-2-603(D).		
24	(d) New wastewater installations. May be assessed only once per parcel, service connection, or lot within a sub-		
25	division. Purpose is to equitably apportion the costs of constructing additional off-site facilities.		
26			
27			
28			
29			
30			
31	IN ADDITION TO THE COLLECTION OF REGULAR RATES, THE UTILITY WILL COLLECT FROM		
32	ITS CUSTOMERS A PROPORTIONATE SHARE OF ANY PRIVILEGE, SALES, USE, AND FRANCHISE		
33	TAX. PER COMMISSION RULE 14-2-608D(5).		
34	ALL ADVANCES AND/OR CONTRIBUTIONS ARE TO INCLUDE LABOR, MATERIALS, OVERHEADS,		
35	AND ALL APPLICABLE TAXES, INCLUDING ALL GROSS-UP TAXES FOR INCOME TAXES, IF APPLICABLE.		
36			
37	All advances and/or contributions are to include labor, materials and parts, overheads and all applicable taxes.		
38	including all gross-up taxes, if applicable.		

EPCOR Arizona, Inc. - San Tan Wastewater District
Test Year Ended August 31, 2019
Hook-Up Fees

Exhibit
Supplemental Schedule H-3
Page 3
Witness: Radigan

Line

No.

1

2 **Off-site Facilities Hook-up Fee**

3

4

5 Lateral Service

Present

Proposed

Charge

Charge

6 4 Inch

\$ 3,900 \$ 3,900

7 6 Inch

8,775 8,775

8 8 Inch or greater

15,600 15,600

9

10

11

12

13

14

15

16

17

18 **REFERENCE**

19 Decision 77507 (December 17, 2019)

20

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35

EPCOR WATER ARIZONA, INC.
DOCKET NOS. WS-02987A-20-0025 AND WS-01303A-20-0025

SURREBUTTAL TESTIMONY
OF
JOHN A. CASSIDY, CRRA

ON BEHALF OF THE
RESIDENTIAL UTILITY CONSUMER OFFICE

OCTOBER 8, 2021

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EXECUTIVE SUMMARY

RUCO recommends that the Commission adopt a 7.19 percent overall rate of return for EPCOR Water Arizona, Inc. - San Tan Water and Wastewater Districts ("EWAZ San Tan," or "Company"), based upon (i) a projected capital structure comprised of 42.31 percent Long-Term Debt, and 57.69 percent Common Equity, (ii) a 4.35 percent cost of Long-Term Debt, and (iii) RUCO's recommended 9.28 percent cost of common equity, as shown below:

	<u>Weight</u>	<u>Cost</u>	<u>Weighted Cost</u>
Long-Term Debt	42.31 %	4.35 %	1.84 %
Common Equity	57.69 %	9.28 %	<u>5.35 %</u>
Overall Rate of Return			<u>7.19 %</u>

RUCO obtained updated common equity cost estimates for a proxy group of eight sample companies employing three cost of equity estimation models: the Constant Growth Discounted Cash Flow Model ("DCF"), the Capital Asset Pricing Model ("CAPM"), and the Comparable Earnings Model ("CE"). The range of estimates obtained from each of the three models employed by RUCO are as follows:

<u>Cost of Equity Estimation Model</u>	<u>Range</u>
Discounted Cash Flow ("DCF")	8.76% - 9.14% (8.95% mid-point)
Capital Asset Pricing Model ("CAPM")	7.69% - 7.69% (7.69% mid-point)
Comparable Earnings ("CE")	10.08% - 10.28% (10.18% mid-point)

RUCO's 9.28 percent recommended cost of equity represents a weighted cost rate obtained by assigning a 50.0 percent weight to estimates obtained from the DCF model, a 10.00 percent weight to estimates obtained from the CAPM, and a 40.0 percent weight to estimates obtained from the CE, as follows:

	<u>Indicated Cost</u>	<u>Weight Factor</u>	<u>Weighted Cost</u>
Discounted Cash Flow	8.95 %	50.00 %	4.48%
Capital Asset Pricing Model	7.69 %	10.00 %	0.77 %
Comparable Earnings	<u>10.08 %</u>	40.00 %	<u>4.03 %</u>
Average Cost of Equity	<u>8.91 %</u>		
RUCO Recommended Cost of Common Equity			<u>9.28 %</u>

As shown, RUCO adopts estimates obtained from the midpoint of the range from the DCF model. This represents a departure from the methodology employed by RUCO in direct testimony. For purposes of its analysis, RUCO continues to adopt estimates obtained from the high end of the range from the CAPM; RUCO continues to adopt the lower median CE estimate, believing this to be a more representative equity cost estimate at this time.

For reasons to be discussed in surrebuttal testimony of RUCO witness, Mr. Frank Radigan, setting rates on the Company's proposed 6.11 percent operating margin is improper, as it

1 effectively compensates the company for an investment in plant which has not yet been
2 made.

I. INTRODUCTION

Q. Please state your name, occupation, and business address.

A. My name is John A. Cassidy. I am a Public Utilities Analyst V employed by the Residential Utility Consumer Office ("RUCO"). My business address is 1110 West Washington Street, Suite 220, Phoenix, Arizona 85007.

Q. Are you the same John A. Cassidy who filed direct cost of capital testimony on behalf of RUCO in this proceeding?

A. Yes, I am.

Q. Please state the purpose of your testimony.

A. The purpose of my testimony is to present RUCO's updated recommendations for the establishment of a fair value rate of return for EPCOR Water Arizona, Inc. - San Tan Water and Wastewater Districts ("EWAZ San Tan," or "Company"). Additionally, I will respond to the rebuttal testimony of Company witness, Mr. Thomas J. Bourassa.

Q. Please summarize RUCO's updated cost of capital recommendations for EWAZ San Tan in this rate proceeding.

A. RUCO continues to recommend that the Commission adopt a 7.19 percent overall rate of return for EWAZ San Tan, based upon (i) a projected capital structure comprised of 42.31 percent Long-Term Debt, and 57.69 percent Common Equity, (ii) a 4.35 percent cost of Long-Term Debt, and (iii) RUCO's recommended 9.28 percent cost of Common Equity, as shown below:

	<u>Weight</u>	<u>Cost</u>	<u>Weighted Cost</u>	
Long-Term Debt		42.31 %	4.35 %	1.84 %
Common Equity		57.69 %	9.28 %	<u>5.35 %</u>
Overall Rate of Return				<u>7.19 %</u>

The computation of RUCO's recommended 7.19 percent overall rate of return for EWAZ San Tan is presented in Surrebuttal Schedule JAC-1.

Q. Briefly summarize the results obtained from RUCO's updated (i) Constant Growth DCF, (ii) CAPM, and (iii) Comparable Earnings (CE) analysis.

A. The range of estimates (i.e., high, low and mid-point) obtained from each of the three models employed by RUCO in its updated cost of equity analysis are as follows:

<u>Cost of Equity Estimation Model</u>	<u>Range</u>
Discounted Cash Flow ("DCF")	8.76% - 9.14% (8.95% mid-point)
Capital Asset Pricing Model ("CAPM")	7.69% - 7.69% (7.69% mid-point)
Comparable Earnings ("CE")	10.08% - 10.28% (10.18% mid-point)

RUCO's updated DCF cost of equity results are presented in Surrebuttal Schedule JAC-3 (Pages 1-4). RUCO's updated CAPM results are presented in Surrebuttal Schedule JAC-4 (Pages 1-2). RUCO's updated Comparable Earnings equity cost estimates are presented in Surrebuttal Schedule JAC-5.

Q. Briefly describe the derivation of RUCO's recommended 9.28 percent weighted average cost of equity.

A. RUCO's updated 9.28 percent recommended cost of equity represents a weighted cost rate obtained by assigning a 50.0 percent weight to estimates obtained from the Constant Growth Discounted Cash Flow (DCF) model, a 10.00 percent weight

to estimates obtained from the Capital Asset Pricing Model (CAPM), and a 40.0 percent weight to estimates obtained from the Comparable Earnings (CE) model, as follows:

	<u>Indicated Cost</u>	<u>Weight Factor</u>	<u>Weighted Cost</u>
Discounted Cash Flow	8.95 %	50.00 %	4.48%
Capital Asset Pricing Model	7.69 %	10.00 %	0.77 %
Comparable Earnings	<u>10.08 %</u>	40.00 %	<u>4.03 %</u>
Average Cost of Equity	<u>8.91 %</u>		
RUCO Recommended Cost of Common Equity			<u>9.28 %</u>

The computation of RUCO's recommended 9.28 percent weighted average cost of equity for EWAZ San Tan is presented in Surrebuttal Schedule JAC-2.

SJW Group added to RUCO's Proxy Group

Q. For the reasons noted in direct testimony,¹ RUCO previously excluded SJW Group (Ticker: SJW) from its proxy group of companies. In updating its cost of equity analysis in Surrebuttal, does RUCO now include SJW in its proxy group of publicly-traded water utility companies?

A. Yes. In its July 9, 2021 update to the water utility industry *Value Line* reinstated SJW's Timeliness and Technical rankings, both of which had previously been suspended due to the recent merger with Connecticut Water. Thus, for purposes of its updated Surrebuttal analysis RUCO's recommended cost of equity is based upon estimates obtained from a proxy group of eight (8) publicly-traded water utility companies, not the seven (7) company proxy group employed by RUCO in direct testimony.

¹ Cassidy Direct, p. 18, lines 10-12.

Change in RUCO's DCF methodology

Q. As shown above, in updating its analysis RUCO employed the 8.95% midpoint estimate as its DCF derived indicated cost of equity. This represents a departure from the methodology employed by RUCO when filing direct testimony, wherein RUCO employed the DCF estimate obtained at the high end of the range as its DCF indicated cost rate. Please explain the rationale for RUCO's change in methodology when updating its DCF equity cost analysis in surrebuttal testimony.

A. As shown in Column D, line 11, of Surrebuttal Schedule JAC-3 (Page 4 of 4), the highest DCF estimate obtained in RUCO's updated equity cost analysis is the 9.14 percent composite-mean estimate obtained from historical per share growth rates, which represents the sum of the 7.34% sample mean historical per share growth rate shown in Column D, line 9, and the sample mean 1.79% expected dividend yield shown in Column H, line 9, ($7.34\% + 1.79\% = 9.14\%$). Further review of Surrebuttal Schedule JAC-3 (Page 4 of 4) reveals that the 7.34 percent sample mean historical per share growth rate significantly exceeds all other estimates of dividend growth presented on line 9, Columns B-G, and this can be attributed to the 11.3 percent historical per share growth rate for SJW (Column D, line 7) being significantly higher than that of the other companies in RUCO's proxy group.

The historical per share growth rates shown in JAC-3 (Page 4 of 4) are derived from *Value Line* estimates of historical 5-year EPS, DPS, and BVPS growth presented in Surrebuttal Schedule JAC-3 (Page 2 of 4). A review of JAC-3 (Page 2) shows that because SJW Group experienced *negative* EPS growth over the last 5-year

period,² the 11.3 percent average historical per share growth rate for SJW gives consideration only to a 10.0 percent DPS growth rate and a 12.5 percent BVPS growth rate, as the Constant Growth DCF model does not allow for consideration of negative growth. The following is a comparison of SJW's actual 11.3 percent 5-year historical per share growth rate, and hypothetical per share growth rates based upon an assumed (i) 1.0 percent and (ii) 5.0 percent 5-year historical EPS growth rate:

SJW Group	5-Year Historical Per Share Growth			
	<u>EPS</u>	<u>DPS</u>	<u>BVPS</u>	<u>Average</u>
Actual	N/A	10.0%	12.5%	11.3%
Hypothetical	1.0%	10.0%	12.5%	7.8%
	5.0%	10.0%	12.5%	9.2%

As shown, consideration of hypothetical 5-year EPS growth rates of 1.0 percent and 5.0 percent would reduce historical 5-year average per share growth by 350 basis points ($11.3\% - 7.8\% = 3.50\%$) and 210 basis points ($11.3\% - 9.2\% = 2.10\%$), respectively. Thus, because SJW Group experienced negative EPS growth over the most recent 5-year period, the 11.3 percent per share historical growth rate obtained for SJW Group is artificially inflated, and for this reason RUCO relies on the 8.95 percent mid-point estimate, rather than the 9.14 percent estimate at the high end of the range for its updated DCF indicated cost rate.

Q. Does RUCO give consideration to projected measures of 5-year per share growth in the determination of its recommended DCF cost rate?

A. Yes.³

² SJW Group experienced historical EPS growth of -0.5% over the most recent 5-year period. See Cassidy Surrebuttal, Attachment A, *Value Line* quarterly update for SJW Group (July 9, 2021).

³ See Cassidy Surrebuttal, Schedules JAC-3 (Page 2 of 4) and JAC-3 (Page 4 of 4), Column E.

1 **Q. On a going forward basis does *Value Line* project SJW Group to have positive**
2 **EPS growth over the next 5-year period?**

3 A. Yes, as shown in JAC-3 (Page 2), line 7, *Value Line* projects 5-year EPS growth
4 of 13.0 percent for SJW Group, a significant increase over the negative 0.5 percent
5 historical EPS growth of the prior 5-year period. Furthermore, this 13.0 percent
6 projected EPS growth estimate is given full consideration in the computation of
7 RUCO's 7.8 percent 5-year projection of average per share growth for SJW, as
8 summarized below:

9

5-Year Projected Per Share Growth				
	<u>EPS</u>	<u>DPS</u>	<u>BVPS</u>	<u>Average</u>
SJW Group	13.0%	6.0%	4.5%	7.8%

10
11
12
13

14 **II. RESPONSE TO COMPANY WITNESS, MR. THOMAS J. BOURASSA**

15 **Q. In supplemental direct testimony, Company witness Mr. Thomas J. Bourassa**
16 **recommended that rates be set on a 6.11 percent operating margin rather than**
17 **a return on FVRB. In Rebuttal, has there been a change to the Company's**
18 **position in this regard?**

19 A. No. As discussed in Mr. Bourassa's surrebuttal testimony,⁴ EPCOR San Tan
20 continues to propose that rates be set based upon an operating margin of 6.11
21 percent.

22

23 **Q. In Rebuttal, does Mr. Bourassa offer a substantive critique of RUCO's DCF,**
24 **CAPM and CE cost of equity estimation analysis?**

25 A. No. Mr. Bourassa makes only cursory mention of RUCO's recommended cost of
26 equity, cost of debt, capital structure, and overall ROR/ weighted average cost of

⁴ Bourassa Rebuttal, p. 4, lines 2-6.

capital.⁵ Mr. Bourassa chooses to equate RUCO's recommended return to operating margin and then draws conclusions of the effect on the Company's financial condition. Mr. Bouroussa asserts that RUCO's FVRB approach would result in operating margins of 1.65 percent and 0.015 percent for the water and wastewater districts, respectively, with the overall combined operating margin being 0.58 percent. He further claims that the operating margins obtained from RUCO's recommended 7.19 percent return on FVRB are "*wholly inadequate and will severely impair EPCOR's ability to attract capital and maintain its credit rating going forward.*" (emphasis added).

Q. Does EPCOR Utilities, Inc. ("EUI"), the parent of EPCOR San Tan, have an investment grade credit rating?

A. Yes. The following summarizes the current investment grade credit ratings assigned to EUI by both (i) Standard & Poors and (ii) DBRS:

	<u>Credit Ratings</u>
<u>Standard & Poors</u>	
Long-Term Debt	A- / Stable
<u>DBRS</u>	
Long-Term Debt	A (low) / Stable
Short-Term Debt	R -1 (low) / Stable

A review of EUI's most recent Annual Report shows that EUI has maintained these investment grade credit ratings in each of the last three years (i.e., 2020, 2019, 2018).⁶

⁵ Bourassa Rebuttal, p. 4, lines 10-13.

⁶ EPCOR Utilities, Inc., Management's Discussion and Analysis, for the year ended December 31, 2020 (p. 26). <https://www.epcor.com/about/Documents/EPCOR-MDA-Q4-2020.pdf>

1 **Q. EUI is owned by the City of Edmonton, Alberta, Canada. What is the current**
2 **Standard & Poor's credit rating assigned to the City of Edmonton?**

3 A. As reported in the City of Edmonton's 2020 Annual Report, Standard & Poor's "held
4 the City to a credit rating of AA with a stable outlook."⁷

5
6 **Q. In light of the above, is there reason to believe that rates established based**
7 **upon RUCO's recommended 7.19 percent return on FVRB would "severely**
8 **impair EPCOR's ability to attract capital and maintain its credit rating going**
9 **forward?"**

10 A. No, and for two reasons. First, as noted above both EUI and the City of Edmonton
11 have investment grade credit ratings, with Standard & Poor's A- ranking for EUI
12 demonstrating a "Strong capacity to pay interest and repay principal," and the AA
13 rating for the City of Edmonton demonstrating a "Very strong capacity to pay interest
14 and repay principal."⁸ Second, EPCOR was awarded a \$45 million Acquisition
15 Premium when acquiring its San Tan utility operations from Johnson Utilities. This
16 circumstance would reasonably be expected to mitigate against a credit
17 downgrade, as ratepayers will soon be asked to pay for this in rates.

18
19 Moreover, Mr. Bouroussa has not provided any support or proof that assigning a
20 return would result in a credit downgrade. The truth is, at best, Mr. Bouroussa's
21 conclusion is speculation.

22
23

⁷ City of Edmonton, Alberta, Canada, 2020 Annual Report, for the year ended December 31, 2020 (p. 57).
https://www.edmonton.ca/sites/default/files/public-files/documents/2020_Financial_Annual_Report.pdf

⁸ Parcell, David C., "The Cost of Capital - A Practitioner's Guide," prepared for the Society of Utility and
Regulatory Financial Analysts (SURFA), 2010 Edition (p. 73).

1 **Q. What is Staff's recommendation as to how the Company's rates should be**
2 **established in this proceeding?**

3 A. Staff adopts the Company's proposal to set rates based upon an operating margin
4 of 6.11 percent.⁹

5
6 **III. CONCLUSION AND RECOMMENDATIONS**

7 **Q. Please summarize RUCO's updated cost of capital recommendations for**
8 **EWAZ San Tan in this proceeding.**

9 A. RUCO recommends that the Commission adopt the following:

- 10
11 1) A projected capital structure comprised of 42.31 percent long-term debt, and
12 57.69 percent common equity;
13 2) A 4.35 percent embedded cost of long-term debt;
14 3) A 9.28 percent cost of common equity; and
15 4) An overall rate of return of 7.19 percent.

16
17 **Q. Does this conclude your Surrebuttal testimony?**

18 A. Yes, it does.

⁹ Carranza Direct, pp. 5-6.

ATTACHMENT A

1990	1991
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Price Range	2025	2026
128		
96		
80		

Grade	Number of Students
1	32
2	40
3	48
4	64
5	60
6	56

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16
12

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EX
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0.6
0.2

LC	24-26
	17.20
	4.80
	3.05
	2.00
	4.25
	23.20
c	37.50
	24.0
	1.35
	2.8%

	645
	115
	23.0%
	1.0%

	7.0%
	53.5%
	46.5%
	133.3

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	13.0%
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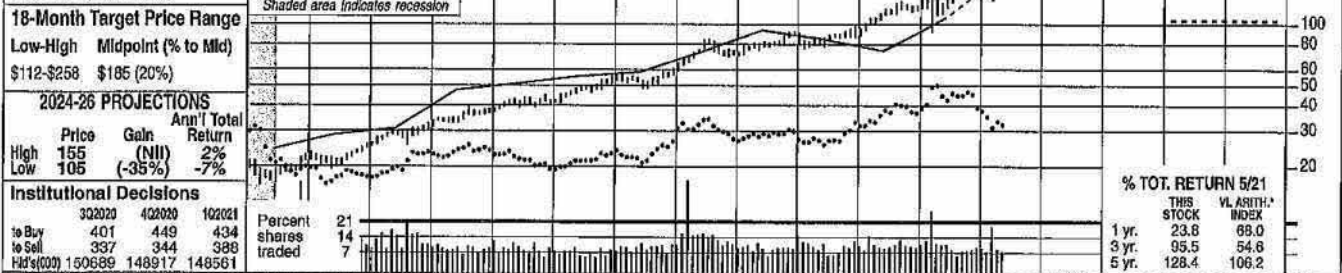
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AMERICAN WATER NYSE-AWK

TIMELINESS 3 Lowered 6/26/21		High: 25.8	32.8	39.4	45.1	56.2	61.2	85.2	92.4	98.2	129.9	172.6	166.1																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														
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2005	2006 ^E	2007 ^E	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	© VALUE LINE PUB. LLC	24-26
--	13.08	13.84	14.61	13.98	15.49	15.18	16.25	16.28	16.78	17.72	18.54	18.81	19.04	19.97	20.83	22.10	23.30	Revenues per sh	25.80
--	.65	d.47	2.87	2.89	3.56	3.73	4.27	4.36	4.75	5.13	5.26	5.14	6.15	6.95	7.24	7.70	8.25	"Cash Flow" per sh	9.70
--	d.97	d2.14	1.10	1.25	1.53	1.72	2.11	2.06	2.39	2.64	2.82	2.98	3.15	3.43	3.91	4.25	4.60	Earnings per sh ^A	5.50
--	--	--	.40	.82	.86	.90	1.21	.84	1.21	1.33	1.47	1.62	1.78	1.96	2.15	2.36	2.57	Div'd Decl'd per sh ^B	3.10
--	4.31	4.74	6.31	4.50	4.38	5.27	5.25	5.50	5.33	6.51	7.38	8.04	8.78	9.15	10.05	10.80	12.50	Cap'l Spending per sh	11.75
--	23.86	28.39	25.64	22.91	23.59	24.11	25.11	26.52	27.39	28.25	29.24	30.13	32.42	33.83	35.58	37.95	40.20	Book Value per sh ^D	50.00
--	160.00	190.00	160.00	174.63	175.00	175.66	176.99	178.25	179.46	178.28	178.10	178.44	180.68	180.81	181.30	181.50	182.00	Common Shs Outst'g ^C	190.00
--	--	--	18.9	15.6	14.6	18.8	16.7	19.9	20.0	20.5	27.7	33.8	27.3	32.9	35.3		<i>Bold figures are Value Line estimates</i>	Avg Ann'l P/E Ratio	23.5
--	--	--	1.14	1.04	.93	1.05	1.06	1.12	1.05	1.03	1.45	1.70	1.47	1.75	1.83			Relative P/E Ratio	1.30
--	--	--	1.9%	4.2%	3.8%	3.1%	3.4%	2.0%	2.5%	2.5%	2.0%	2.0%	2.0%	2.1%	1.7%	1.6%		Avg Ann'l Div'd Yield	2.4%

CAPITAL STRUCTURE as of 3/31/21	2666.2	2876.9	2901.9	3011.3	3158.0	3302.0	3357.0	3440.0	3610.0	3777.0	4025	4240	4460	4680	4900	5120	5340	5560	5780	6000
Total Debt \$10751 mil.	304.9	374.3	369.3	420.8	476.0	468.0	426.0	587.0	621.0	708.0	770	835	900	965	1030	1095	1160	1225	1290	1355
LT Debt \$9325 mil.	39.5%	40.7%	39.1%	38.4%	38.1%	39.2%	38.3%	28.2%	25.5%	23.3%	22.5%	23.5%	24.0%	24.5%	25.0%	25.5%	26.0%	26.5%	27.0%	27.5%
Due in 5 Yrs \$2867 mil.	6.2%	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%
LT Interest \$384 mil.	55.7%	53.9%	52.4%	52.4%	53.7%	52.4%	54.7%	56.3%	58.5%	59.1%	59.0%	61.5%	61.5%	61.5%	61.5%	61.5%	61.5%	61.5%	61.5%	61.5%
(59% of Cap'l)	44.2%	48.1%	47.6%	47.4%	46.2%	47.5%	45.3%	43.6%	41.4%	40.9%	41.0%	39.5%	39.5%	39.5%	39.5%	39.5%	39.5%	39.5%	39.5%	39.5%
Leases, Uncapitalized: Annual rentals \$13.0 mil.	9580.3	9635.5	9940.7	10364	10911	10987	11875	13433	14760	15787	16900	18700	20050	22150	24500	26900	29300	31700	34100	36500
Pension Assets 12/20 \$1990.0 mil.	11021	11739	12391	12900	13393	14392	16246	17409	18232	19710	20750	22150	23550	25000	26500	28000	29500	31000	32500	34000
Oblig. \$2386.0 mil.	4.8%	5.4%	5.1%	5.5%	5.7%	5.6%	4.9%	5.4%	5.4%	5.7%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Pfd Stock \$3.0 mil.	7.2%	8.4%	7.8%	8.7%	9.4%	9.0%	7.9%	9.7%	10.1%	11.0%	11.0%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
Pfd Div'd \$2 mil.	7.2%	8.4%	7.8%	8.7%	9.4%	9.0%	7.9%	9.7%	10.1%	11.0%	11.0%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
Common Stock 181,469,196 shares as of 4/27/21	3.5%	3.6%	4.7%	4.3%	4.7%	4.0%	2.5%	4.2%	4.4%	5.0%	5.0%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
MARKET CAP: \$28.6 billion (Large Cap)	52%	57%	40%	50%	50%	58%	68%	56%	57%	55%	56%	56%	56%	56%	56%	56%	56%	56%	56%	56%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '18-'20
Revenues	3.0%	3.5%	4.5%
"Cash Flow"	8.0%	7.0%	6.5%
Earnings	10.5%	8.0%	8.5%
Dividends	11.0%	11.5%	8.5%
Book Value	3.5%	4.5%	5.0%

Cal- endar	QUARTERLY REVENUES (\$mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2018	761	853	976	850	3440
2019	813	882	1013	902	3610
2020	844	931	1079	923	3777
2021	868	1002	1160	975	4025

2022	935	1055	1200	1050	4240	8% next year, to \$4.60, due to an expanding rate base and some rate relief.	treatment, it earns a fair return on investments made to modernize its infrastructure. This has been accomplished with very little dilution, as shares outstanding have increased only 3% over the past decade.
Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year	The water utility has a straightforward strategy that has proven to be very successful. There are approximately 100,000 small municipally-run water utilities in the United States. These, potentially, ranked shares offer	
2018	.59	.91	1.03	.82	3.15		
2019	.62	.94	1.33	.54	3.43		
2020	.68	.97	1.46	.80	3.91		
2021	.73	1.07	1.58	.87	4.25		

2022	.80	1.15	1.70	.95	4.60	Water utilities in the United States. Thus, there exists a tremendous amount of inefficiencies in the industry. Expense margins can often be improved substantially when acquisitions are made. American Water Works ought to continue to purchase many smaller water districts. In	These neutrally ranked shares offer below-average long-term total return potential. The stock, which used to have defensive characteristics, has outperformed the key market indexes over the past five years. Hence, the equity is trading above the upper level of our 2024-
Cal-ender	QUARTERLY DIVIDENDS PAID B ₁				Full Year		
	Mar.31	Jun.30	Sep.30	Dec.31			
2017	.375	.415	.415	.415	1.62		
2018	.415	.455	.455	.455	1.78		
2019	.455	.50	.50	.50	1.96		

Business: American Water Works Company, Inc. is the largest investor-owned water and wastewater utility in the U.S., providing services to approximately 15 million people in 46 states. Nonregulated business assists municipalities and military bases with the maintenance and upkeep as well. Regulated operations made up 86% of 2020 revenues. New Jersey is its largest market accounting for 24.5% of regulated revenues; Pennsylvania, 22.5%; Missouri, 10.6%. Has 6,900 employees. The Vanguard Grp. owns 11.7% of outstanding shares; BlackRock, Inc., 8.1%; officers & directors, less than 1.0%. (3/21 Proxy). President & CEO: Susan N. Story, Chairman: George Mackenzie. Address: 1 Water Street, Camden, NJ 08102. Tel.: 856-346-8200. Internet: www.amwater.com.

Sewer Authority for \$235 million.

The construction budget remains large. As is the case for almost all water utilities, American Water Works is spending heavily to upgrade its pipeline and wastewater assets. We estimate that the capital budget will average between \$2.2 billion to \$2.5 billion annually for the next 10 years.

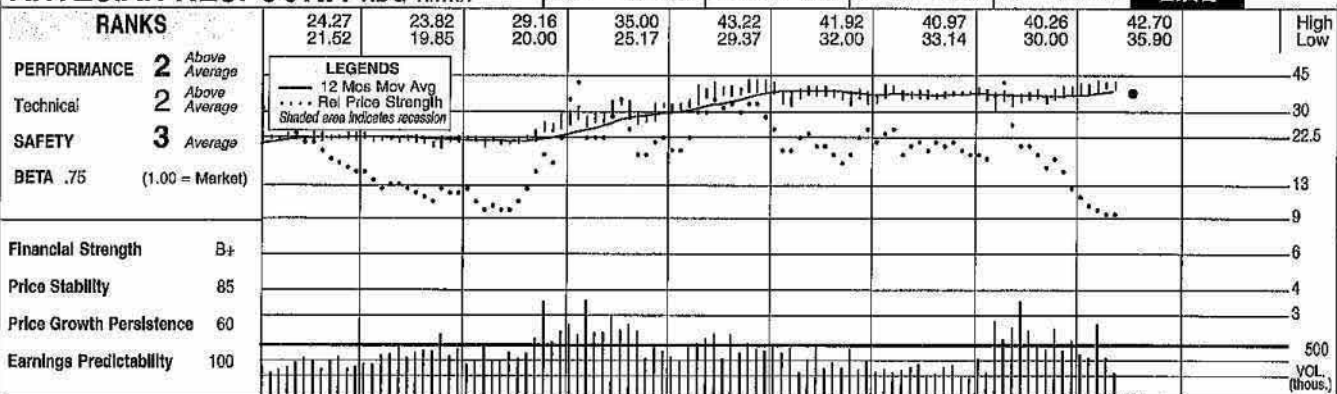
Finances are sound. Despite the vast building program, the company has managed to maintain a solid balance sheet. Because of reasonable regulatory treatment, it earns a fair return on investments made to modernize its infrastructure. This has been accomplished with very little dilution, as shares outstanding have increased only 3% over the past decade.

These neutrally ranked shares offer below-average long-term total return potential. The stock, which used to have defensive characteristics, has outperformed the key market indexes over the past five years. Hence, the equity is trading above the upper level of our 2024-2026 projected Target Price Range.

James A. Flood July 9, 2021

ARTESIAN RES. CORP. NDQ-ARTNA

RECENT PRICE **37.09** TRAILING P/E RATIO **20.5** RELATIVE P/E RATIO **1.05** DIV'D YLD **2.8%** VALUE LINE



© VALUE LINE PUBLISHING LLC	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022/2023
SALES PER SH	7.82	8.13	8.50	8.67	8.92	8.69	9.00	9.42	--	
"CASH FLOW" PER SH	1.87	2.04	2.22	2.43	2.55	2.66	2.77	2.99	--	
EARNINGS PER SH	.94	1.07	1.26	1.41	1.51	1.54	1.60	1.79	NA	NA/NA
DIV'D DECL'D PER SH	.82	.85	.87	.90	.93	.96	.98	1.01	--	
CAP'L SPENDING PER SH	2.40	2.66	2.28	3.10	4.46	5.30	4.38	3.66	--	
BOOK VALUE PER SH	13.80	14.09	14.61	15.23	15.91	16.57	17.25	18.11	--	
COMMON SHS OUTST'G (MILL)	8.83	8.91	9.06	9.13	9.22	9.25	9.29	9.36	--	
AVG ANN'L P/E RATIO	23.9	20.5	18.0	20.9	24.2	23.9	22.8	20.2	NA	NA/NA
RELATIVE P/E RATIO	1.34	1.08	.93	1.14	1.21	1.35	1.32	1.17	--	
AVG ANN'L DIV'D YIELD	3.7%	3.9%	3.8%	3.1%	2.5%	2.6%	2.7%	2.8%	--	
SALES (\$MILL)	69.1	72.5	77.0	79.1	82.2	80.4	83.5	88.1	--	Bold figures are consensus earnings estimates and, using the recent prices, P/E ratios.
OPERATING MARGIN	47.0%	48.8%	43.0%	44.4%	44.6%	46.1%	43.0%	47.8%	--	
DEPRECIATION (\$MILL)	8.3	8.7	8.8	9.2	9.6	10.3	10.8	11.1	--	
NET PROFIT (\$MILL)	8.3	9.5	11.3	13.0	14.0	14.3	14.9	16.8	--	
INCOME TAX RATE	40.2%	40.1%	--	--	--	--	--	--	--	
NET PROFIT MARGIN	12.0%	13.1%	14.7%	16.4%	17.0%	17.8%	17.9%	19.1%	--	
WORKING CAP'L (\$MILL)	d12.3	d13.5	d8.8	d4.7	d9.5	d21.6	d11.4	d26.1	--	
LONG-TERM DEBT (\$MILL)	105.5	105.0	103.6	102.3	105.6	115.9	144.2	142.3	--	
SHR. EQUITY (\$MILL)	121.8	125.6	132.3	139.0	146.6	153.3	160.3	169.4	--	
RETURN ON TOTAL CAP'L	5.1%	5.5%	6.3%	6.7%	6.8%	6.5%	6.1%	6.6%	--	
RETURN ON SHR. EQUITY	6.8%	7.6%	8.5%	9.3%	9.5%	9.3%	9.3%	9.9%	--	
RETAINED TO COM EQ	.9%	1.6%	2.6%	3.4%	3.7%	3.6%	3.6%	4.4%	--	
ALL DIV'DS TO NET PROF	87%	79%	69%	63%	61%	62%	61%	56%	--	

Note: No analyst estimates available.

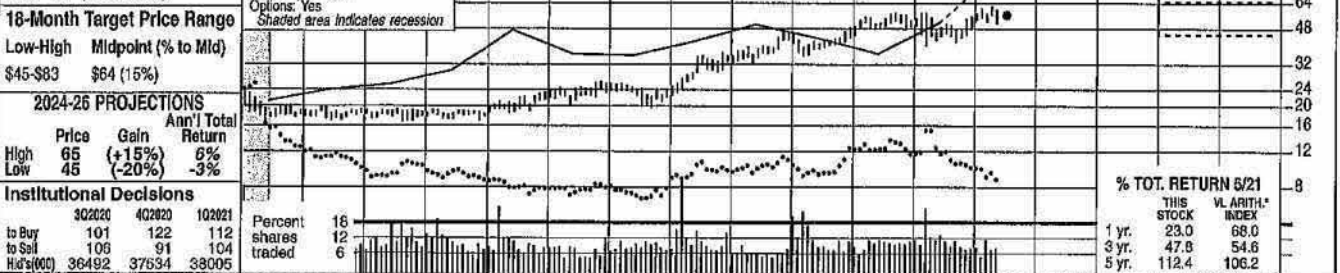
ANNUAL RATES					ASSETS (\$mill.)				INDUSTRY: Water Utility			
of change (per share)	5 Yrs.	1 Yr.			2019	2020	3/31/21		BUSINESS: Artesian Resources Corp. operates as the parent holding company of five regulated public utilities: Artesian Water Company, Inc., Artesian Water Pennsylvania, Inc., Artesian Water Maryland, Inc., Artesian Wastewater Management, Inc., and Artesian Wastewater Maryland, Inc.; and three non-regulated subsidiaries: Artesian Utility Development, Inc., Artesian Development Corp., and Artesian Storm Water Services, Inc. Its principal subsidiary, Artesian Water Company, Inc., distributes and sells water, including water for public and private fire protection, to residential, commercial, industrial, municipal, and utility customers in Delaware, Maryland, and Pennsylvania. It provides wastewater services to customers in Delaware. In addition, it provides contract water and wastewater operations, and water, sewer and internal Service Line Protection Plans. Artesian Water produced approximately 86% of 2020 consolidated operating revenues. Has 235 employees. Chairman, C.E.O. & President: Dian C. Taylor Address: 664 Churchmans Rd., Newark, DE 19702. Tel.: (302) 453-6900. Internet: www.artesianresources.com.			
Sales	2.0%	4.5%			6.9	10.2	8.8					
"Cash Flow"	6.5%	8.0%			1.3	1.5	1.4					
Earnings	8.5%	12.0%			5.4	5.9	4.2					
Dividends	3.0%	2.5%			14.2	17.6	14.6					
Book Value	4.0%	5.0%										
Fiscal Year	1Q	2Q	3Q	4Q	Full Year							
12/31/19	19.4	20.7	22.5	21.0	83.6							
12/31/20	19.9	21.8	24.7	21.7	88.1							
12/31/21	20.7											
12/31/22												
EARNINGS PER SHARE					LIABILITIES (\$mill.)				TOTAL SHAREHOLDER RETURN Dividends plus appreciation as of 5/31/2021			
Fiscal Year	1Q	2Q	3Q	4Q	Full Year							
12/31/18	.38	.42	.42	.32	1.54							
12/31/19	.38	.41	.48	.33	1.60							
12/31/20	.43	.49	.54	.33	1.79							
12/31/21	.45											
12/31/22												
Cal-endar	1Q	2Q	3Q	4Q	Full Year							
2018	.235	.239	.239	.242	.96							
2019	.242	.246	.246	.25	.98							
2020	.25	.25	.25	.26	1.01							
2021	.257	.261										
QUARTERLY SALES (\$mill.)					LONG-TERM DEBT AND EQUITY as of 3/31/21				July 9, 2021 TOTAL SHAREHOLDER RETURN Dividends plus appreciation as of 5/31/2021			
Fiscal Year	1Q	2Q	3Q	4Q	Full Year							
12/31/19	19.4	20.7	22.5	21.0	83.6							
12/31/20	19.9	21.8	24.7	21.7	88.1							
12/31/21	20.7											
12/31/22												
Cal-endar	1Q	2Q	3Q	4Q	Full Year							
2018	.235	.239	.239	.242	.96							
2019	.242	.246	.246	.25	.98							
2020	.25	.25	.25	.26	1.01							
2021	.257	.261										
INSTITUTIONAL DECISIONS					Pension Liability None in '19 vs. None in '19				3 Mos. 12.17% 6 Mos. 12.98% 1 Yr. 20.68% 3 Yrs. 13.89% 5 Yrs. 66.30%			
to Buy	31	39	36									
to Sell	41	30	43									
Hld's(000)	4328	4472	4359									

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CALIFORNIA WATER NYSE-CWT

RECENT PRICE 56.22	P/E RATIO 33.1 (Trailing: 24.4 Median: 24.0)	RELATIVE P/E RATIO 1.61	DIV YLD 1.6%	VALUE LINE
TIMELINESS 3 Lowered 5/26/21	SAFETY 3 Lowered 7/27/07	TECHNICAL 3 Lowered 5/25/21	BETA .95 (1.00 = Market)	18-Month Target Price Range Low-High \$45-\$83 Midpoint (% to Mid) \$64 (15%)



2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	© VALUE LINE PUB. LLC	24-26
8.72	8.10	8.88	9.90	10.82	11.05	12.00	13.34	12.23	12.50	12.29	12.70	13.89	14.53	14.72	15.78	15.70	15.95	Revenues per sh	16.30
1.52	1.36	1.56	1.86	1.93	1.93	2.07	2.32	2.21	2.47	2.22	2.34	3.00	3.11	3.14	3.68	3.25	3.55	"Cash Flow" per sh	3.75
.74	.67	.75	.95	.98	.91	.86	1.02	1.02	1.19	.94	1.01	1.40	1.38	1.31	1.97	1.70	2.00	Earnings per sh ^A	2.25
.57	.58	.58	.59	.59	.60	.62	.63	.64	.65	.67	.69	.72	.75	.79	.85	.92	.98	Div'd Dec'd per sh ^B	1.15
2.01	2.14	1.84	2.41	2.66	2.97	2.83	3.04	2.58	2.76	3.69	4.77	5.40	5.65	5.84	5.93	6.25	5.50	Cap'l Spending per sh	5.85
7.90	9.07	9.25	9.72	10.13	10.45	10.76	11.28	12.54	13.11	13.41	13.75	14.44	15.19	16.07	18.30	18.35	18.25	Book Value per sh ^C	19.80
36.78	41.31	41.33	41.45	41.53	41.67	41.82	41.98	47.74	47.81	47.88	47.97	48.01	48.07	48.53	50.33	51.00	52.00	Common Shs Outst'g ^D	53.00
24.9	29.2	26.1	19.9	19.7	20.3	21.3	17.9	20.1	19.7	24.8	29.6	26.9	30.3	39.3	24.9	Bold figures are Value Line estimates			24.0
1.33	1.58	1.39	1.19	1.31	1.29	1.34	1.14	1.13	1.04	1.25	1.55	1.35	1.84	2.09	1.29				1.30
3.1%	2.9%	3.0%	3.1%	3.1%	3.2%	3.4%	3.5%	3.1%	2.8%	2.9%	2.3%	1.9%	1.6%	1.5%	1.7%				2.1%

CAPITAL STRUCTURE as of 3/31/21	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Total Debt \$1221.1 mill. Due in 5 Yrs \$357.0 mill.	501.8	560.0	584.1	597.5	588.4	608.4	666.9	698.2	714.6	794.3	800	830	865	865	865	865	865	865	865	865	865	865
LT Debt \$781.0 mill. LT Interest \$40.0 mill.	36.1	42.6	47.3	56.7	45.0	48.7	67.2	65.6	63.1	98.8	87.0	105	120	120	120	120	120	120	120	120	120	120
(Total Interest coverage: 2.9x) (46% of Cap'l)	40.5%	37.5%	30.3%	33.0%	36.0%	35.5%	30.1%	24.5%	19.1%	11.1%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%
Pension Assets-12/20 \$716.8 mill.	7.6%	8.0%	4.3%	2.7%	4.3%	6.1%	3.5%	3.1%	5.8%	3.3%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Obliq. \$833.9 mill.	51.7%	47.8%	41.8%	40.1%	44.4%	44.6%	42.7%	49.3%	50.2%	45.9%	44.5%	43.5%	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%
Pfd Stock None	48.3%	52.2%	58.4%	59.9%	55.6%	55.4%	57.3%	50.7%	49.8%	54.1%	55.5%	56.5%	62.0%	62.0%	62.0%	62.0%	62.0%	62.0%	62.0%	62.0%	62.0%	62.0%
Common Stock 50,835,000 shs.	931.5	908.2	1024.9	1045.9	1154.4	1191.2	1209.3	1440.2	1585.7	1702.4	1685	1675	1700	1700	1700	1700	1700	1700	1700	1700	1700	1700
MARKET CAP: \$2.9 billion (Mid Cap)	1381.1	1457.1	1515.8	1590.4	1701.8	1859.3	2048.0	2232.7	2406.4	2650.6	2675	2700	2850	2850	2850	2850	2850	2850	2850	2850	2850	2850
CURRENT POSITION	5.5%	6.3%	8.0%	6.3%	5.2%	5.5%	7.1%	5.9%	5.5%	7.0%	6.0%	7.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
2019	8.0%	9.0%	7.9%	9.1%	7.0%	7.4%	9.7%	9.0%	8.1%	10.5%	9.5%	11.0%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
2020	8.0%	9.0%	7.9%	9.1%	7.0%	7.4%	9.7%	9.0%	8.1%	10.5%	9.5%	11.0%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
2021	2.3%	3.4%	3.4%	4.1%	2.0%	2.4%	4.7%	4.0%	3.2%	6.0%	4.0%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
2022	71%	62%	56%	55%	71%	69%	51%	55%	60%	43%	54%	49%	51%	51%	51%	51%	51%	51%	51%	51%	51%	51%

BUSINESS: California Water Service Group provides regulated and nonregulated water service to 492,600 customers in 100 communities in the state of California. Accounts for about 94% of total customers. Also operates in Washington, New Mexico, and Hawaii. Main service areas: San Francisco Bay area, Sacramento Valley, Salinas Valley, San Joaquin Valley & parts of Los Angeles. Acquired Rio Grande Corp. West Hawaii Utilities (9/08). Revenue breakdown, '20: residential, 70%; business, 18%; industrial, 4%; public authorities, 5%; other 3%. Off. and dir. own 1% of common stock (4/21 proxy). Has 1,184 employees. Pres. and CEO: Martin A. Kropelnicki, Inc. DE. Addr.: 1720 North First St., San Jose, CA 95112-4598. Tel.: 408-367-8200. Internet: www.calwatergroup.com.

California Water is in a much better position after raising its customers' prices associated with its December, 2020 regulatory rate case approval. The March period represented a full quarter of cumulative rate hikes post the regulatory decision. This prompted an 18% year-over-year advance in revenues, to about \$148 million. In addition, compared to the previous-year figure, the top-line boost helped the company deliver a slimmer first-quarter share deficit of \$0.06, although higher operating expenses kept California Water from turning a profit. For the current year, we now look for earnings of \$1.70 a share, down from our previous call of \$1.90.

The company's subsidiary, Hawaii Water Service, tabbed another acquisition. Subject to customary closing conditions and approval from the Hawaii Public Utilities Commission, Hawaii Water has agreed to acquire the assets of HOH Utilities Company, a wastewater utility that serves approximately 1,800 residential and resort customers. The deal (financial details were not disclosed) comes on the heels of several notable asset purchases earlier this year. To wit, we envision a consistent stream of bolt-on acquisitions going forward.

Infrastructure upgrades are in full swing, and ought to be par for the course over the pull to mid-decade. As previously noted, management has embarked on a significant multiyear upgrade program to overhaul its aging service pipelines and wastewater treatment facilities. Indeed, future rate case filings are apt to include requests for additional rate hikes to recoup the company's aggressive intermediate- to long-term spending initiatives.

The equity has slipped two spots on our Timeliness Ranking System, to 3 (Average). California Water shares are trading around levels seen three months prior subsequent to etching an all-time high in late April. All told, we suggest near-term subscribers press on the brakes. Moreover, total return potential three to five years hence is nothing to write home about. Thus, investors with an eye to 2024-2026 would also be wise to hold off on making a capital commitment, for now.

Cal-ender	QUARTERLY REVENUES (\$ mill.)^A	Full Year
2018	134.6 174.9 221.3 167.4	698.2
2019	126.1 179.0 232.6 176.9	714.6
2020	125.6 175.5 304.1 188.1	794.3
2021	147.7 200 250 202.3	800
2022	160 205 260 205	830

Cal-ender	EARNINGS PER SHARE^A	Full Year
2018	d.02 .31 .75 .32	1.36
2019	d.16 .35 .88 .24	1.31
2020	d.42 .11 1.94 .31	1.97
2021	d.06 .40 .95 .41	1.70
2022	.10 .45 1.00 .45	2.00

Cal-ender	QUARTERLY DIVIDENDS PAID^B	Full Year
2017	.18 .18 .18 .18	.72
2018	.1875 .1875 .1875 .1875	.75
2019	.1975 .1975 .1975 .1975	.79
2020	.2125 .2125 .2125 .2125	.85
2021	.230 .230	

(A) Basic EPS. Excl. nonrecurring gain (loss): '11, 4¢. Next earnings report due early August. (B) Dividends historically paid in late Feb., May, Aug., and Nov. = Div'd reinvestment plan available. (C) Incl. intangible assets. In '20: \$27.6 mill., \$0.55/sh. (D) In millions, adjusted for split. (E) Excludes non-regulated revenues

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MIDDLESEX WATER NDQ-MSEX										RECENT PRICE	83.74	P/E RATIO	38.1	(Trailing: 39.3 Median: 23.0)	RELATIVE P/E RATIO	1.86	DIV'D YLD	1.3%	VALUE LINE		
TIMELINESS	3	Lowered 6/4/21	High: 19.3 19.4 19.6 22.5 23.7 26.0 44.5 46.7 60.3 67.7 78.1 88.6	Low: 14.7 16.5 17.5 18.6 19.1 21.2 25.0 32.2 34.0 51.0 48.8 67.1	LEGENDS 120 x Dividends p sh divided by Interest Rate Relative Price Strength Options: Yes Shaded area indicates recession														Target Price Range 2024 2025 2026		
SAFETY	2	New 10/21/11															180				
TECHNICAL	4	Raised 7/3/21															120				
BETA	.70	(1.00 = Market)															100				
18-Month Target Price Range																			80		
Low-High Midpoint (% to Mid)																			60		
\$64-\$116 \$90 (5%)																			40		
2024-26 PROJECTIONS																			20		
Ann'l Total Return																			15		
High 76 55 (-10%) -1%																					
Low 55 55 (-35%) -8%																					
Institutional Decisions																					
3Q2020 4Q2020 1Q2021																					
to Buy 52 67 64																					
to Sell 69 49 67																					
Net's(000) 10357 10675 10712																					
Percent shares traded																					
12 6 4																					
2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022																					
6.44 6.16 6.50 6.79 6.75 6.60 6.50 6.98 7.19 7.26 7.77 8.16 8.00 8.42 7.72 8.10 8.45 8.70																			Revenues per sh 8.15		
1.33 1.33 1.49 1.53 1.40 1.55 1.46 1.56 1.72 1.84 1.97 2.17 2.24 2.09 2.90 3.25 3.10 3.25																			"Cash Flow" per sh 3.70		
.71 .82 .87 .89 .72 .96 .84 .90 1.03 1.13 1.22 1.38 1.38 1.96 2.01 2.18 2.20 2.35																			Earnings per sh ^ 2.70		
.67 .68 .69 .70 .71 .72 .73 .74 .75 .76 .78 .81 .86 .91 .98 1.04 1.10 1.15																			Div'd Decl'd per sh ^ 1.35		
2.18 2.31 1.66 2.12 1.49 1.90 1.50 1.38 1.26 1.40 1.59 2.91 3.08 4.40 5.11 6.04 5.50 5.50																			Cap'l Spending per sh 6.25		
8.26 9.52 10.05 10.03 10.33 11.13 11.27 11.43 11.82 12.24 12.74 13.40 14.02 15.17 18.57 19.81 19.45 19.60																			Book Value per sh 20.85		
11.58 13.17 13.25 13.40 13.62 15.57 15.70 15.82 15.96 16.12 16.23 16.30 16.35 16.40 17.43 17.47 17.75 17.85																			Common Shs Outst'g ^ 18.00		
27.4 22.7 21.6 19.8 21.0 17.8 21.7 20.8 19.7 18.5 19.1 25.6 28.4 22.2 29.7 30.1 30.1 30.1																			Avg Ann'l P/E Ratio 24.0		
1.46 1.23 1.15 1.19 1.40 1.13 1.36 1.32 1.11 .87 .96 1.34 1.43 1.20 1.58 1.56 1.56 1.56																			Relative P/E Ratio 1.30		
3.5% 3.7% 3.7% 4.0% 4.7% 4.2% 4.0% 4.0% 3.7% 3.7% 3.3% 2.3% 2.2% 2.1% 1.6% 1.6% 1.6% 1.6%																			Avg Ann'l Div'd Yield 2.1%		
CAPITAL STRUCTURE as of 3/31/21																					
Total Debt \$279.9 mil. Due in 5 Yrs \$43.7 mil.																					
LT Debt \$272.7 mil. LT Interest \$7.5 mil.																					
(Total Interest coverage: 7.3x)																					
(44% of Cap'l)																					
Pension Assets-12/20 \$88.9 mil.																					
Oblig. \$115.9 mil.																					
Pfd Stock \$2.4 mil. Pfd Div'd: \$.1 mil.																					
Common Stock 17,476,000 shs.																					
as of 4/30/20																					
MARKET CAP: \$1.5 billion (Mid Cap)																					
CURRENT POSITION 2019 2020 3/31/21																					
(\$MILL.)																					
Cash Assets 2.2 4.5 4.4																					
Other 26.9 29.6 27.0																					
Current Assets 29.1 34.1 31.4																					
Accts Payable 23.3 30.4 24.4																					
Debt Due 27.2 9.3 7.2																					
Other 14.5 17.1 34.2																					
Current Liab. 65.0 56.8 65.8																					
ANNUAL RATES of change (per sh)																					
Past 10 Yrs. Past 5 Yrs. Est'd '18-'20 to '24-'26																					
Revenues 2.0% 2.0% 2.0%																					
"Cash Flow" 7.5% 10.5% 3.5%																					
Earnings 9.0% 12.5% 4.5%																					
Dividends 3.0% 5.0% 5.5%																					
Book Value 6.5% 8.0% 2.5%																					
Cal-endar																			Full Year		
Mar.31 Jun.30 Sep.30 Dec.31																					
2018 31.2 34.9 38.7 33.3 138.1																					
2019 30.7 33.4 37.8 32.7 134.6																					
2020 31.8 35.3 39.9 34.6 141.8																					
2021 32.5 37.0 44.0 36.5 150																					
2022 34.0 38.0 45.0 38.0 155																					
Cal-endar																			Full Year		
Mar.31 Jun.30 Sep.30 Dec.31																					
2018 .27 .52 .74 .43 1.96																					
2019 .39 .49 .66 .46 2.01																					
2020 .44 .55 .72 .47 2.18																					
2021 .39 .55 .73 .53 2.20																					
2022 .47 .57 .76 .55 2.35																					
Cal-endar																			Full Year		
Mar.31 Jun.30 Sep.30 Dec.31																					
2017 21125 21125 21125 22375 .86																					
2018 22375 22375 22375 .24 .91																					
2019 .24 .24 .24 .2562 .98																					
2020 2562 2562 2562 .2725 1.04																					
2021 2725 2725																					
BUSINESS: Middlesex Water Company engages in the ownership and operation of regulated water utility systems in New Jersey, Delaware, and Pennsylvania. It also operates water and wastewater systems under contract on behalf of municipal and private clients in NJ and DE. Its Middlesex System provides water services to 61,000 retail customers, primarily in Middlesex County, New Jersey. In 2020, the Middlesex System accounted for 59% of operating revenues. At 12/31/20, the company had 348 employees. Incorporated: NJ. President, CEO, and Chairman: Dennis W. Doil. Officers & directors own 2.0% of the com. stock; BlackRock Inst. Trust Co., 7.8% (4/21 proxy). Add: 485 C Route 1 South, Suite 400, Iselin, NJ 08830. Tel.: 732-634-1500. Int.: www.middlesexwater.com.																					
Middlesex Water delivered mixed results to start 2021. For the March period, revenues of \$33 million, which were a slight uptick versus the previous-year figure, came in roughly on par with our expectation. Notably, the advance can be attributed to increased water demand in its New Jersey system, as well as customer growth in its Delaware system. On the other hand, earnings of \$0.39 a share missed our mark by \$0.06. Higher expenses associated with weather-related water main break activity during the winter months, along with increased labor costs due to wage hikes, weighed on profitability. We are shaving a nickel off our current-year bottom-line estimate, to \$2.20 a share. The downward revision stems mainly from the softer first-quarter showing, as we project relatively flat year-over-year share-profit comparisons until the December period. Looking further out, respectable share-net expansion is likely on tap for 2022. Solid long-term business prospects are still intact, in our view. Middlesex is poised for moderate year-over-year revenue and earnings expansion over the pull to mid-decade. Indeed, the water utility's operations are largely noncyclical and, thus, ought to perform decently under various operating conditions. Additionally, its customer base should continue to widen (especially in its Delaware system), and residential/commercial water consumption levels may well rise in tandem with a healthier economic backdrop. Investment appeal is limited at this juncture. The stock established a fresh high-water mark in early June, but has since cooled off a bit. Based on our Timeliness ranking scale, good-quality MSEX shares have been lowered two notches, to 3 (Average), thus no longer stand out for the year ahead. Moreover, its forward-looking 12-month price-to-earnings ratio is significantly stretched compared to historic norms, indicating that investors would need to pay a lofty premium at present to own the water utility. Likewise, subscribers with a three- to five-year investment horizon would be wise to defer commitments until a better entry point is available. Nicholas P. Patrikis July 9, 2021																					

SJW GROUP NYSE-SJW				RECENT PRICE	64.13	P/E RATIO	31.3	(Trailing: 29.8 Median: 21.0)	RELATIVE P/E RATIO	1.53	DIV'D YLD	2.1%	VALUE LINE					
TIMELINESS 3	New 7/9/21	High:	28.2	26.8	26.9	30.1	33.7	35.7	58.9	69.3	68.4	74.5	75.0	71.7	58.0	Target Price Range 2024 2025 2026		
SAFETY 3	Now 4/22/11	Low:	21.6	20.9	22.6	24.5	25.5	27.5	28.6	45.4	61.3	53.9	45.6	58.0				
TECHNICAL 1	Now 7/9/21	LEGENDS 1.50 x Dividends p.sh. divided by Interest Rate Relative Price Strength Options: Yes Shaded area indicates recession																
BETA .80 (1.00 = Market)																		
18-Month Target Price Range																		
Low-High Midpoint (% to Mid)																		
\$52-\$119 \$86 (35%)																		
2024-26 PROJECTIONS																		
Price Gain Ann'l Total																		
High Low (+55%) (Nil) 13% 3%																		
Institutional Decisions																		
to Buy 302020 402020 102021																		
to Sell 62 80 87																		
Hld's(000) 19827 19850 20963																		
Percent shares traded 15 10 10																		
2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022																© VALUE LINE PUBL. LLC 24-26		
9.86 10.35 11.25 12.12 11.88 11.82 12.85 14.01 13.73 15.76 14.97 16.61 18.97 14.00 14.78 19.77 19.50 20.50																Revenues per sh 22.15		
2.21 2.38 2.30 2.44 2.21 2.38 2.80 2.97 2.90 4.42 3.86 4.76 5.24 3.29 3.67 5.26 3.70 4.30																"Cash Flow" per sh 5.30		
1.12 1.19 1.04 1.08 .81 .84 1.11 1.18 1.12 2.54 1.85 2.57 2.86 1.82 1.35 2.14 2.05 2.65																Earnings per sh A 3.65		
.53 .57 .61 .65 .68 .68 .69 .71 .73 .75 .78 .81 1.04 1.12 1.20 1.28 1.36 1.44																Div'd Decl'd per sh B 1.72		
2.83 3.87 6.62 3.79 3.17 5.65 3.75 5.67 4.88 5.02 5.24 6.95 7.26 5.08 6.25 7.44 6.75 7.00																Cap'l Spending per sh 7.50		
10.72 12.48 12.90 13.99 13.68 13.75 14.20 14.71 15.92 17.75 18.83 20.61 22.57 31.31 31.27 32.12 35.00 36.65																Book Value per sh 40.85		
18.27 18.28 18.36 18.18 18.50 18.55 18.59 18.67 20.17 20.29 20.38 20.46 20.52 28.40 28.46 28.56 30.00 30.00																Common Shs Outst'g C 30.00		
19.7 23.5 33.4 28.2 28.7 29.1 21.2 20.4 24.3 11.2 16.6 15.7 18.8 32.7 47.8 30.0																Avg Ann'l P/E Ratio 23.0		
1.05 1.27 1.77 1.58 1.91 1.85 1.33 1.30 1.37 .59 .84 .82 .95 1.77 2.55 1.56																Relative P/E Ratio 1.30		
2.4% 2.0% 1.7% 2.3% 2.8% 2.8% 2.9% 3.0% 2.7% 2.6% 2.5% 2.0% 1.9% 1.9% 2.0%																Avg Ann'l Div'd Yield 2.1%		
CAPITAL STRUCTURE as of 3/31/21																		
Total Debt \$1379.3 mill. Due in 5 Yrs \$22.4 mill.																		
LT Debt \$1303.0 mill. LT Interest \$50.0 mill.																		
(LT Interest Coverage: 3.8x)																		
(56% of Cap'l)																		
239.0 261.5 276.9 319.7 305.1 339.7 389.2 397.7 420.5 564.5 585 615 615																Revenues (\$mill) 665		
20.9 22.3 23.5 51.8 37.9 52.8 59.2 38.8 38.7 61.5 62.0 80.0 80.0																Net Profit (\$mill) 110		
41.1% 41.1% 38.7% 32.5% 38.1% 38.8% 38.7% 20.6%																Income Tax Rate 21.0%		
-- -- -- -- -- -- -- 2.0%																AFUDC % to Net Profit 1.5%		
56.8% 55.0% 51.1% 51.6% 49.8% 50.7% 48.2% 32.7%																Long-Term Debt Ratio 38.0%		
43.4% 45.0% 49.9% 48.4% 50.2% 49.3% 51.8% 67.3%																Common Equity Ratio 62.0%		
607.9 610.2 656.2 744.5 764.6 855.0 894.3 1320.7																Total Capital (\$mill) 1975		
756.2 831.6 898.7 963.0 1036.8 1146.4 1239.3 1326.8																Net Plant (\$mill) 2775		
4.9% 5.0% 5.0% 6.3% 6.3% 7.4% 7.9%																Return on Total Cap'l 6.0%		
7.9% 8.1% 7.3% 14.4% 9.9% 12.5% 12.8%																Return on Shr. Equity 9.0%		
7.9% 8.1% 7.3% 14.4% 9.9% 12.5% 12.8%																Return on Com Equity 9.0%		
3.1% 3.3% 2.8% 10.2% 5.7% 8.8% 8.2%																Retained to Com Eq 4.5%		
61% 59% 62% 29% 42% 31% 36%																All Div'ds to Net Prof 47%		
Pension Assets-12/20 \$278.1 mill.																		
Oblig. \$386.1 mill.																		
Pfd Stock None.																		
Common Stock 29,790,000 shs.																		
MARKET CAP: \$1.9 billion (Mid Cap)																		
CURRENT POSITION 2019 2020 3/31/21																		
(\$mill.)																		
Cash Assets 17.9 9.3 14.5																		
Accts Receivable 38.3 58.1 55.7																		
Other 67.8 59.9 53.3																		
Current Assets 122.0 127.3 123.5																		
Accts Payable 34.9 34.2 25.6																		
Debt Due 22.3 76.2 76.3																		
Other 177.4 240.4 187.8																		
Current Liab. 234.6 350.8 289.7																		
ANNUAL RATES																		
of change (per sh)																		
10 Yrs.																		
Past 5 Yrs.																		
Est'd '18-'20																		
Revenues 3.0% 2.0% 5.5%																		
"Cash Flow" 5.5% 2.0% 4.5%																		
Earnings 7.0% -6% 13.0%																		
Dividends 6.0% 10.0% 6.0%																		
Book Value 8.5% 12.5% 4.6%																		
QUARTERLY REVENUES (\$mill.)																		
Cal-endar																		
Mar.31 Jun.30 Sep.30 Dec.31																		
2018 75.0 99.1 124.9 98.7 397.7																		
2019 77.7 103.0 114.0 126.0 420.5																		
2020 115.8 147.2 165.9 135.6 564.5																		
2021 114.8 150 175 145.2 585																		
2022 125 155 185 150 615																		
EARNINGS PER SHARE A																		
Cal-endar																		
Mar.31 Jun.30 Sep.30 Dec.31																		
2018 .06 .62 .76 .38 1.82																		
2019 .21 .47 .33 .34 1.35																		
2020 .08 .69 .91 .46 2.14																		
2021 .09 .56 .90 .50 2.05																		
2022 .18 .77 1.00 .70 2.65																		
QUARTERLY DIVIDENDS PAID B,D																		
Cal-endar																		
Mar.31 Jun.30 Sep.30 Dec.31																		
2017 .2175 .2175 .2175 .3875 1.04																		
2018 .28 .28 .28 .28 1.12																		
2019 .30 .30 .30 .30 1.20																		
2020 .32 .32 .32 .32 1.28																		
2021 .34 .34																		

Business: SJW Group engages in the production, purchase, storage, purification, distribution, and retail sale of water. It provides water service to approximately 231,000 connections with a total population of roughly one million people in the San Jose area and 16,000 connections that reach about 49,000 residents in the region between San Antonio and Austin, Texas. The company merged with Connecticut Water (10/19) which provides service to approx. 138,000 connections with a total population of 450,000 people. Has 361 employees. Officers and directors own 8.3% of outstanding shares (3/21 proxy). Chairman & CEO: Eric Thornburg. Incorporated: California. Address: 110 West Taylor Street, San Jose, CA 95110. Telephone: (408) 279-7800. Internet: www.sjwater.com.

SJW Group unveiled rather tepid bottom-line guidance for 2021. Management recently forecasted earnings guidance between \$1.85 and \$2.05 a share, largely due to limited available surface water at its treatment plants as a result of insufficient rainfall. Reflecting on the March period, revenues and earnings were roughly flat on a year-over-year basis, as a slight decline in water consumption and weather-related one-time costs kept a lid on results.

Adding it all up, we are lowering our current-year share-profit forecast. We are shaving \$0.50 from our 2021 net income projection, to \$2.05 a share. To wit, our revised estimate falls in line with the upper end of leadership's target range. Looking toward 2022, we think earnings are poised to rebound strongly, supported by recently implemented customer rate hikes, as well as improved operating efficiencies.

The company acquired Clear Water Estates' water system in Texas during the period. The deal was valued at around \$1 million, and is set to add 230 new service connections and increase the water supply for SJW's Texas operations. Further out, we would not be surprised to see SJW Group explore additional bolt-on acquisitions.

Business prospects out to 2024-2026 are bright, in our view. Residential water consumption ought to markedly accelerate amidst an improving economic backdrop. In addition, commercial water usage is poised to pick up considerably subsequent to the rollback of most of California's COVID-19 restrictions. All in all, the company's noncyclical operations are well positioned for sustainable growth over the long haul.

We are reinstating SJW Group's Timeliness rank at 3 (Average) and, thus expect the stock to be a market performer over the coming six to 12 months. The equity's long-term investment characteristics don't necessarily jump off the page, either. At the recent quotation, SJW shares offer merely average upside three to five years hence. Therefore, we think patient subscribers would be wise to wait for a more attractive entry point.

Nicholas P. Patrikis
July 9, 2021

(A) Diluted earnings. Excludes nonrecurring losses: '05, \$1.09; '06, \$16.36; '08, \$1.22; '10, \$0.46. GAAP accounting as of 2013. Next earnings report due early August. Quarterly

(B) Dividends historically paid in early March, June, September, and December. Div'd reinvestment plan available.

(C) In millions.

(D) Paid special dividend of \$0.17 per share on 1/1/7.

(E) Suspended due to recent CTWS merger.

Company's Financial Strength B+
 Stock's Price Stability 80
 Price Growth Persistence 65
 Earnings Predictability 50

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YORK WATER NDQ:YORW				RECENT PRICE	46.56	P/E RATIO	34.5 (Trailing: 37.5; Median: 28.0)	RELATIVE P/E RATIO	1.68	DIV'D YLD	1.6%	VALUE LINE							
TIMELINESS	3	Lowered 1/15/21	High: 19.0, Low: 12.8	18.1, 15.8	18.5, 16.8	22.0, 17.6	24.3, 18.8	26.7, 19.7	39.8, 23.8	39.9, 31.7	36.1, 27.5	47.3, 30.3	51.3, 34.6	53.0, 40.7	Target Price Range 2024 2025 2026				
SAFETY	3	Lowered 7/17/15	LEGENDS 1.10 x Dividends p sh divided by Interest Rate Relative Price Strength Options: Yes Shaded area indicates recession																
TECHNICAL	4	Lowered 8/18/21																	
BETA	.65	(1.00 = Market)																	
18-Month Target Price Range																			
Low-High Midpoint (% to Mid)																			
\$35-\$77 \$56 (20%)																			
2024-26 PROJECTIONS																			
Price	50	Gain (+5%)	Ann'l Total Return																
High Low	50 35	(-25%)	4% -5%																
Institutional Decisions																			
To Buy	46	To Sell	53	Percent shares traded	12														
Hld's (000)	5302	5341	5518	4															
2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	© VALUE LINE PUB. LLC	24-26
2.58	2.56	2.79	2.89	2.95	3.07	3.18	3.21	3.27	3.58	3.68	3.70	3.77	3.74	3.96	4.12	4.20	4.35	Revenues per sh	5.10
.79	.77	.86	.88	.95	1.07	1.09	1.12	1.19	1.36	1.45	1.42	1.53	1.58	1.70	1.90	1.95	2.10	"Cash Flow" per sh	2.45
.56	.58	.57	.57	.64	.71	.71	.72	.75	.89	.97	.92	1.01	1.04	1.11	1.27	1.35	1.40	Earnings per sh ^A	1.65
.42	.45	.48	.49	.51	.52	.53	.54	.55	.57	.60	.63	.65	.67	.70	.73	.78	.83	Div'd Dec'd per sh ^B	1.00
1.69	1.85	1.69	2.17	1.18	.83	.74	.94	.76	1.10	1.11	1.03	1.95	--	.16	.09	1.35	1.45	Cap'l Spending per sh	1.85
4.85	5.84	5.97	6.14	6.92	7.19	7.45	7.73	7.98	8.15	8.51	8.89	9.28	9.75	10.31	10.97	11.55	12.00	Book Value per sh	12.90
10.40	11.20	11.27	11.37	12.56	12.69	12.79	12.92	12.98	12.83	12.81	12.85	12.87	12.94	13.02	13.06	13.00	12.90	Common Shs Outst'g ^C	12.80
26.3	31.2	30.3	24.6	21.9	20.7	23.9	24.4	26.3	23.1	23.5	32.8	34.6	30.3	33.8	35.7	Bold figures are Value Line estimates	35.7	Avg Ann'l P/E Ratio	25.0
1.40	1.68	1.61	1.48	1.46	1.32	1.50	1.55	1.48	1.22	1.18	1.72	1.74	1.84	1.80	1.63	1.63	1.63	Relative P/E Ratio	1.40
2.9%	2.5%	2.8%	3.5%	3.6%	3.5%	3.1%	3.1%	2.8%	2.8%	2.6%	2.1%	1.9%	2.1%	1.9%	1.6%	1.6%	1.6%	Avg Ann'l Div'd Yield	2.4%
CAPITAL STRUCTURE as of 3/31/21																			
Total Debt \$122.1 mill. Due in 5 Yrs \$42.5 mill.																			
LT Debt \$122.1 mill. LT Interest \$5.5 mill.																			
Pension Assets 12/20 \$56.3 mill.																			
Oblig. \$54.1 mill.																			
Pfd Stock None																			
Common Stock 13,071,733 shs.																			
MARKET CAP: \$600 million (Small Cap)																			
CURRENT POSITION (\$MILL.)				2019	2020	3/31/21													
Cash Assets				--	5.0	.1													
Accounts Receivable				4.4	5.2	4.0													
Inventory (Avg. Cost)				1.0	1.0	1.0													
Other				4.0	5.1	5.3													
Current Assets				9.4	16.3	10.4													
Accts Payable				3.4	6.5	6.6													
Debt Due				6.5	--	--													
Other				5.3	5.5	5.8													
Current Liab.				15.2	12.0	12.4													
ANNUAL RATES of change (per sh)				Past 10 Yrs.	Past 5 Yrs.	Est'd '18-'20 to '24-'26													
Revenues				3.0%	2.5%	4.5%													
"Cash Flow"				6.0%	5.5%	6.0%													
Earnings				6.0%	5.5%	6.5%													
Dividends				3.5%	4.0%	6.0%													
Book Value				4.5%	4.5%	4.0%													
QUARTERLY REVENUES (\$ mill.)				Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year										
2018					11.6	12.0	12.7	12.1	48.4										
2019					11.8	13.0	13.7	13.1	51.6										
2020					12.9	13.3	14.3	13.4	53.9										
2021					13.1	13.5	14.4	13.5	54.5										
2022					13.5	13.7	15.0	13.8	56.0										
EARNINGS PER SHARE ^A				Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year										
2018					.20	.26	.29	.29	1.04										
2019					.22	.28	.35	.26	1.11										
2020					.31	.32	.38	.28	1.27										
2021					.28	.35	.37	.35	1.35										
2022					.30	.36	.38	.36	1.40										
QUARTERLY DIVIDENDS PAID ^B				Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year										
2017					.1602	.1602	.1602	.1666	.647										
2018					.1666	.1666	.1666	.1733	.673										
2019					.1733	.1733	.1733	.1802	.70										
2020					.1802	.1802	.1802	.1874	.73										
2021					.1874	.1874													

BUSINESS: The York Water Company is the oldest investor-owned regulated water utility in the United States. It has operated continuously since 1816. As of December 31, 2020, the company's average daily availability was 35.6 million gallons and its service territory had an estimated population of 202,000. Has more than 72,600 customers. Residential customers accounted for 66% of 2020 revenues; commercial and industrial (26%); other (8%). It also provides sewer billing services. Incorporated: PA. York had 108 full-time employees at 12/31/20. President/Chief Executive Officer: J.T. Hand. Officers/directors own 1.3% of the common stock (3/21 proxy). Address: 130 East Market Street, York, Pennsylvania 17401. Telephone: (717) 845-3601. Internet: www.yorkwater.com.

York Water reported decent first-quarter results. Revenues of \$13.1 million came in roughly on par with our expectation, driven by customer base expansion and increased water usage, particularly in the residential arena. On point, March-period earnings of \$0.28 per share matched our estimate. The modest year-over-year decline can be attributed to a nonrecurring life insurance gain in the first quarter of 2020. For the recently ended June period, we look for a noteworthy bottom-line improvement, to \$0.35 per share, underpinned by lower taxes due to higher applicable deductions and increased consumer consumption. **Based on management's latest commentary, relatively aggressive capital spending is on tap through the end of 2021.** In the first three months of the year, York spent about \$7 million on construction expenditures, including infrastructure improvements and replacements. Over the next two quarters, in addition to investments made in the recently ended June period, the company intends to spend upward of \$26 million on water main upgrades, the completion of a wastewater treatment plant, software system updates, and pipe and service line repairs. All told, these improvements are vital to support its growing customer base. **The company's operations should prove resilient over the pull to mid-decade.** Periodic rate hikes are likely in the cards, as York is apt to recoup a portion of its aforementioned capital investments by raising customer prices. Moreover, as the economic recovery picks up steam, both commercial and residential water usage ought to follow suit. Further customer base expansion is likely, too. **York Water is pegged to mirror the broader market averages over the coming six to 12 months (Timeliness: 3).** The stock etched a fresh high-water mark in early June, but has given back most of its gains in recent sessions. To that end, with limited catalysts on the horizon, York shares do not stand out for the year ahead. Moreover, patient subscribers should probably hold off on initiating a position here, as total return potential out to 2024-2026 is unenticing at the current quotation.

Nicholas P. Patrikis *July 9, 2021*

(A) Diluted earnings. Next earnings report due early August.
 (B) Dividends historically paid in late February, June, September, and December.

(C) In millions, adjusted for split.

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Business: The York Water Company is the oldest investor-owned regulated water utility in

ATTACHMENT B

American States Water Company (AWR)

NYSE - NYSE Delayed Price. Currency in USD

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Visitors trend 2W ↑ 10W ↑ 9M ↑

93.85 +1.64 (+1.78%) **93.85** 0.00 (0.00%)

At close: 4:00PM EDT

After hours: 04:35PM EDT

Quote Lookup

Summary Company Outlook Chart Conversations Statistics Historical Data Profile Financials Analysis Options Holders Sustainability

Earnings Estimate

	Current Qtr. (Jun 2021)	Next Qtr. (Sep 2021)	Current Year (2021)	Next Year (2022)
No. of Analysts	3	3	5	5
Avg. Estimate	0.71	0.75	2.44	2.6
Low Estimate	0.68	0.74	2.38	2.57
High Estimate	0.74	0.77	2.49	2.67
Year Ago EPS	0.69	0.72	2.33	2.44

Currency in USD

Revenue Estimate

	Current Qtr. (Jun 2021)	Next Qtr. (Sep 2021)	Current Year (2021)	Next Year (2022)
No. of Analysts	2	2	4	4
Avg. Estimate	128.41M	132.02M	507.55M	526.16M
Low Estimate	119.09M	124.05M	496.21M	512.64M
High Estimate	124M	140M	514M	538M
Year Ago Sales	N/A	133.69M	488.24M	507.55M
Sales Growth (year/est)	N/A	-1.20%	4.00%	3.70%

Earnings History

	6/29/2020	9/29/2020	12/30/2020	3/30/2021
EPS Est.	0.69	0.75	0.47	0.45
EPS Actual	0.69	0.72	0.54	0.52
Difference	0	-0.03	0.07	0.07
Surprise %	0.00%	-4.00%	14.90%	15.60%

EPS Trend

	Current Qtr. (Jun 2021)	Next Qtr. (Sep 2021)	Current Year (2021)	Next Year (2022)
Current Estimate	0.71	0.75	2.44	2.6
7 Days Ago	0.71	0.75	2.44	2.6
30 Days Ago	0.71	0.76	2.43	2.59
60 Days Ago	0.69	0.75	2.44	2.57
90 Days Ago	0.69	0.75	2.44	2.57

EPS Revisions

	Current Qtr. (Jun 2021)	Next Qtr. (Sep 2021)	Current Year (2021)	Next Year (2022)
Up Last 7 Days	N/A	N/A	N/A	N/A

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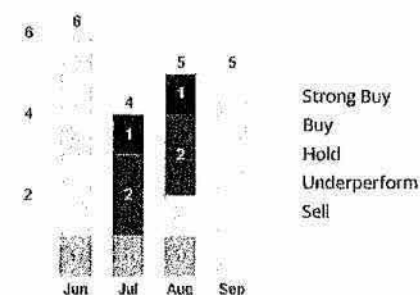
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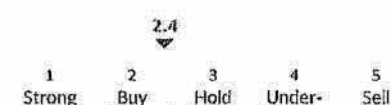
People Also Watch

Symbol	Last Price	Change	% Change
CWT	64.90	+1.35	+2.12%
California Water Service Group			
SIW	70.61	+1.28	+1.85%
SIW Group			
MSEX	112.52	+3.11	+2.84%
Middlesex Water Company			
NWN	51.96	+0.51	+0.99%
Northwest Natural Holding Company			
YORW	53.09	+1.52	+2.95%
The York Water Company			

Recommendation Trends >



Recommendation Rating >



9/1/2021

AWR 93.85 1.64 1.78% : American States Water Company - Yahoo Finance

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Average 85.25									
Up Last 30 Days	N/A	N/A	1	1					
Down Last 7 Days	N/A	N/A	N/A	N/A	Low 60.00			High 101.00	
Down Last 30 Days	N/A	N/A	N/A	N/A				Current 93.85	
Upgrades & Downgrades >									
Growth Estimates	AWR	Industry	Sector(s)	S&P 500	Initiated	Barclays: to Equal-Weight	7/15/2021		
Current Qtr.	2.90%	N/A	N/A	N/A	Upgrade	Wells Fargo: Equal-Weight to Overweight	9/21/2020		
Next Qtr.	4.20%	N/A	N/A	N/A	Maintains	UBS: to Sell	6/22/2020		
Current Year	4.70%	N/A	N/A	N/A	Initiated	Seaport Global: to Buy	5/20/2020		
Next Year	6.60%	N/A	N/A	N/A	Maintains	UBS: to Sell	3/31/2020		
Next 5 Years (per annum)	6.30%	N/A	N/A	N/A	Upgrade	Wells Fargo: Underweight to Equal-Weight	3/11/2020		
Past 5 Years (per annum)	5.48%	N/A	N/A	N/A					

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American Water Works Company, Inc. (AWK)

NYSE - Nasdaq Real Time Price. Currency in USD

☆ Add to watchlist

Visitors trend 2W ↑ 10W ↑ 9M ↑

184.43 +2.18 (+1.20%) **184.43** 0.00 (0.00%)

At close: 4:00PM EDT

After hours: 05:05PM EDT

Quote Lookup

Summary

Company Outlook

Chart

Conversations

Statistics

Historical Data

Profile

Financials

Analysis

Options

Holders

Sustainability

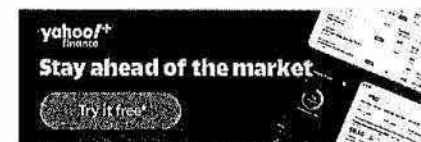
Currency in USD

Earnings Estimate

	Current Qtr. (Jun 2021)	Next Qtr. (Sep 2021)	Current Year (2021)	Next Year (2022)
No. of Analysts	12	10	17	17
Avg. Estimate	1.08	1.53	4.25	4.61
Low Estimate	1.04	1.45	4.2	4.5
High Estimate	1.12	1.61	4.32	4.8
Year Ago EPS	0.97	1.46	3.91	4.25

Revenue Estimate

	Current Qtr. (Jun 2021)	Next Qtr. (Sep 2021)	Current Year (2021)	Next Year (2022)
No. of Analysts	7	6	11	11
Avg. Estimate	1.01B	1.2B	4.03B	4.25B
Low Estimate	964.2M	1.08B	3.92B	4.08B
High Estimate	1.07B	1.4B	4.16B	4.41B
Year Ago Sales	N/A	1.11B	3.78B	4.03B
Sales Growth (year/est)	N/A	7.70%	6.60%	5.70%



Earnings History

	6/29/2020	9/29/2020	12/30/2020	3/30/2021
EPS Est.	0.96	1.38	0.8	0.73
EPS Actual	0.97	1.46	0.8	0.73
Difference	0.01	0.08	0	0
Surprise %	1.00%	5.80%	0.00%	0.00%

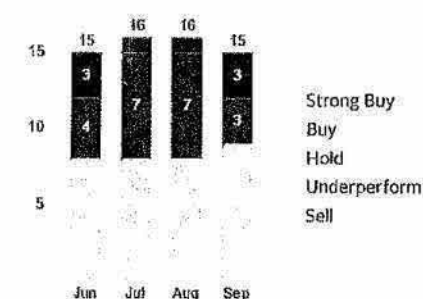
People Also Watch

Symbol	Last Price	Change	% Change
AWR	93.85	+1.64	+1.78%
American States Water Company			
CWT	64.90	+1.35	+2.12%
California Water Service Group			
XYL	136.55	+0.24	+0.18%
Xylem Inc.			
NEE	85.34	+1.35	+1.61%
NextEra Energy, Inc.			
AEP	90.50	+0.93	+1.04%
American Electric Power Company, Inc.			

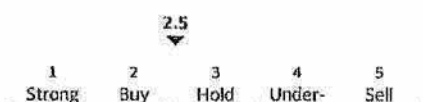
EPS Trend

	Current Qtr. (Jun 2021)	Next Qtr. (Sep 2021)	Current Year (2021)	Next Year (2022)
Current Estimate	1.08	1.53	4.25	4.61
7 Days Ago	1.08	1.53	4.25	4.61
30 Days Ago	1.08	1.55	4.24	4.61
60 Days Ago	1.09	1.55	4.24	4.61
90 Days Ago	1.09	1.55	4.24	4.61

Recommendation Trends >



Recommendation Rating >



EPS Revisions

	Current Qtr. (Jun 2021)	Next Qtr. (Sep 2021)	Current Year (2021)	Next Year (2022)
Up Last 7 Days	N/A	N/A	N/A	N/A

9/1/2021

AWK 184.43 2.18 1.20% : American Water Works Company, Inc. - Yahoo Finance

Finance Home	Watchlists	My Portfolio	Screeners	Yahoo Finance Plus	Markets	News	y/finance+	Try It free
							Average 177.53	
Up Last 30 Days		2	N/A		4	3	O	
Down Last 7 Days		N/A	N/A		N/A	N/A	Low 156.00	High 190.00
Down Last 30 Days		N/A	N/A		N/A	N/A	Current 184.43	
Upgrades & Downgrades >								
Growth Estimates		AWK	Industry	Sector(s)	S&P 500	Downgrade	HSBC: Buy to Hold	9/1/2021
Current Qtr.		11.30%	N/A	N/A	N/A	Upgrade	Argus Research: Hold to Buy	8/6/2021
Next Qtr.		4.80%	N/A	N/A	N/A	Downgrade	Janney Montgomery Scott: Buy to Neutral	8/4/2021
Current Year		8.70%	N/A	N/A	N/A			
Next Year		8.50%	N/A	N/A	N/A	Maintains	Barclays: to Equal-Weight	7/15/2021
Next 5 Years (per annum)		8.60%	N/A	N/A	N/A	Maintains	Barclays: to Equal-Weight	5/25/2021
Past 5 Years (per annum)		8.74%	N/A	N/A	N/A	Downgrade	Argus Research: Buy to Hold	5/12/2021
More Upgrades & Downgrades								

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Essential Utilities, Inc. (WTRG)

NYSE - Nasdaq Real Time Price. Currency in USD

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Visitors trend 2W ↓ 10W ↑ 9M ↑

Quote Lookup

50.40 +0.77 (+1.55%) **50.50** +0.10 (0.20%)

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Earnings Estimate

	Current Qtr. (Jun 2021)	Next Qtr. (Sep 2021)	Current Year (2021)	Next Year (2022)
No. of Analysts	9	7	15	13
Avg. Estimate	0.25	0.23	1.67	1.79
Low Estimate	0.22	0.21	1.64	1.76
High Estimate	0.29	0.25	1.7	1.8
Year Ago EPS	0.29	0.23	1.58	1.67

Currency in USD

Revenue Estimate

	Current Qtr. (Jun 2021)	Next Qtr. (Sep 2021)	Current Year (2021)	Next Year (2022)
No. of Analysts	2	2	7	7
Avg. Estimate	397.03M	367.62M	1.91B	2.06B
Low Estimate	342M	367M	1.8B	1.86B
High Estimate	404.71M	368.24M	2.08B	2.44B
Year Ago Sales	N/A	348.65M	1.46B	1.91B
Sales Growth (year/est)	N/A	5.40%	30.60%	7.60%

Earnings History

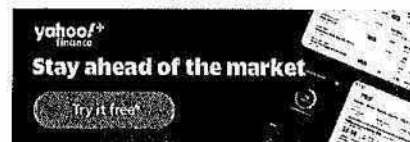
	6/29/2020	9/29/2020	12/30/2020	3/30/2021
EPS Est.	0.22	0.23	0.45	0.66
EPS Actual	0.29	0.23	0.46	0.72
Difference	0.07	0	0.01	0.06
Surprise %	31.80%	0.00%	2.20%	9.10%

EPS Trend

	Current Qtr. (Jun 2021)	Next Qtr. (Sep 2021)	Current Year (2021)	Next Year (2022)
Current Estimate	0.25	0.23	1.67	1.79
7 Days Ago	0.25	0.23	1.67	1.79
30 Days Ago	0.25	0.25	1.67	1.79
60 Days Ago	0.26	0.25	1.67	1.79
90 Days Ago	0.26	0.25	1.67	1.79

EPS Revisions

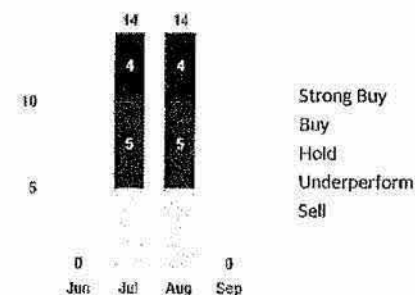
	Current Qtr. (Jun 2021)	Next Qtr. (Sep 2021)	Current Year (2021)	Next Year (2022)
Up Last 7 Days	1	N/A	1	N/A



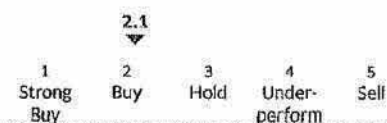
People Also Watch

Symbol	Last Price	Change	% Change
YORW	53.09	+1.52	+2.95%
The York Water Company			
MSEX	112.52	+3.11	+2.84%
Middlesex Water Company			
EVRG	68.62	+0.17	+0.25%
Eversource Energy			
CWT	64.90	+1.35	+2.12%
California Water Service Group			
AWR	93.85	+1.64	+1.78%
American States Water Company			

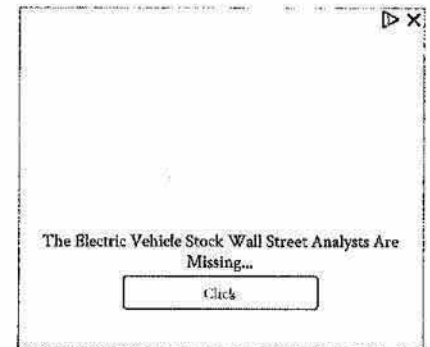
Recommendation Trends >



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Finance Home	Watchlists	My Portfolio	Screeners	Yahoo Finance Plus	Markets	News	y/finance+	Try it free
Up Last 30 Days		2	1	3	N/A		Low 45.00 Current 50.40	High 70.00
Down Last 7 Days		N/A	N/A	N/A	N/A			
Down Last 30 Days		1	N/A	1	2			
Upgrades & Downgrades >								
Growth Estimates		WTRG	Industry	Sector(s)	S&P 500	Maintains	Barclays: to Equal-Weight	1/22/2021
Current Qtr.		-13.80%	N/A	N/A	N/A	Upgrade	Wells Fargo: Equal-Weight to Overweight	9/14/2020
Next Qtr.		N/A	N/A	N/A	N/A	Maintains	UBS: to Neutral	6/5/2020
Current Year		5.70%	N/A	N/A	N/A	Initiated	RBC Capital: to Outperform	4/24/2020
Next Year		7.20%	N/A	N/A	N/A	Maintains	Wells Fargo: to Equal-Weight	3/11/2020
Next 5 Years (per annum)		6.40%	N/A	N/A	N/A	Maintains	Baird: to Outperform	2/28/2020
Past 5 Years (per annum)		3.91%	N/A	N/A	N/A			



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Artesian Resources Corporation (ARTNA)

NasdaqGS - NasdaqGS Real Time Price. Currency in USD

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Visitors trend 2W ↑ 10W ↑ 9M ↑

39.47 +0.06 (+0.15%) **39.47** 0.00 (0.00%)

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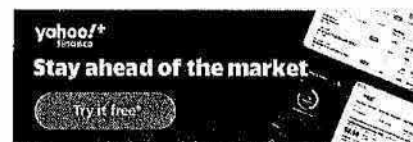
Earnings Estimate	Current Qtr. (Sep 2021)	Next Qtr. (Dec 2021)	Current Year (2021)	Next Year (2022)
No. of Analysts	0	0	1	1
Avg. Estimate	0	0	1.75	2
Low Estimate	0	0	1.75	2
High Estimate	0	0	1.75	2
Year Ago EPS	N/A	N/A	N/A	1.75

Revenue Estimate	Current Qtr. (Sep 2021)	Next Qtr. (Dec 2021)	Current Year (2021)	Next Year (2022)
No. of Analysts	0	0	1	1
Avg. Estimate	N/A	N/A	90.2M	94.8M
Low Estimate	N/A	N/A	90.2M	94.8M
High Estimate	N/A	N/A	90.2M	94.8M
Year Ago Sales	N/A	N/A	88.14M	90.2M
Sales Growth (year/est)	N/A	N/A	2.30%	5.10%

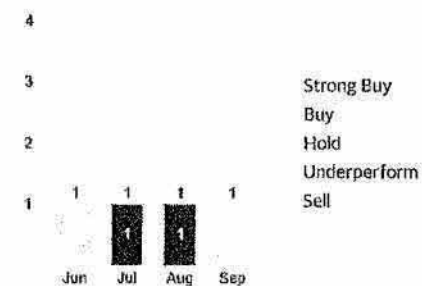
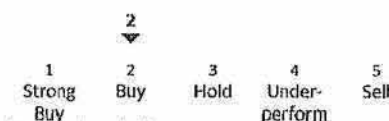
Earnings History	Invalid Date	Invalid Date	Invalid Date	Invalid Date
EPS Est.	N/A	N/A	N/A	N/A
EPS Actual	N/A	N/A	N/A	N/A
Difference	N/A	N/A	N/A	N/A
Surprise %	N/A	N/A	N/A	N/A


EPS Trend	Current Qtr. (Sep 2021)	Next Qtr. (Dec 2021)	Current Year (2021)	Next Year (2022)
Current Estimate	0	0	1.75	2
7 Days Ago	0	0	1.92	2.05
30 Days Ago	0	0	1.92	2.05
60 Days Ago	0	0	1.92	2.05
90 Days Ago	0	0	1.92	2.05

EPS Revisions	Current Qtr. (Sep 2021)	Next Qtr. (Dec 2021)	Current Year (2021)	Next Year (2022)
Up Last 7 Days	N/A	N/A	N/A	N/A

**People Also Watch**


Symbol	Last Price	Change	% Change
MSEX	112.52	+3.11	+2.84%
Middlesex Water Company			
YORW	53.09	+1.52	+2.95%
The York Water Company			
SJW	70.61	+1.28	+1.85%
SJW Group			
CWT	64.90	+1.35	+2.12%
California Water Service Group			
CWCO	12.17	0.00	0.00%
Consolidated Water Co. Ltd.			

Recommendation Trends >**Recommendation Rating >**


Finance Home	Watchlists	My Portfolio	Screeners	Yahoo Finance Plus 	Markets	News	... y/finance+ Try it free
Up Last 30 Days		N/A	N/A	N/A	N/A	Downgrade	Hilliard Lyons: Long-Term Buy to Neutral 5/4/2017
Down Last 7 Days		N/A	N/A	N/A	N/A	Downgrade	Baird: Outperform to Neutral 3/2/2016
Down Last 30 Days		N/A	N/A	N/A	N/A	Downgrade	Hilliard Lyons: Neutral to Underperform 10/21/2015
Growth Estimates		ARTNA	Industry	Sector(s)	S&P 500	Upgrade	Baird: Neutral to Outperform 3/25/2015
Current Qtr.		N/A	N/A	N/A	N/A	Upgrade	Hilliard Lyons: Neutral to Long-Term Buy 4/7/2014
Next Qtr.		N/A	N/A	N/A	N/A	Downgrade	Hilliard Lyons: Long-Term Buy to Neutral 11/5/2012
Current Year		N/A	N/A	N/A	N/A	More Upgrades & Downgrades	
Next Year		14.30%	N/A	N/A	N/A		
Next 5 Years (per annum)		4.00%	N/A	N/A	N/A		
Past 5 Years (per annum)		15.12%	N/A	N/A	N/A		

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California Water Service Group (CWT)

NYSE - Nasdaq Real Time Price. Currency in USD

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Visitors trend 2W ↓ 10W ↑ 9M ↑

64.90 +1.35 (+2.12%) **64.90** +0.04 (0.06%)

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Earnings Estimate				
	Current Qtr. (Jun 2021)	Next Qtr. (Sep 2021)	Current Year (2021)	Next Year (2022)
No. of Analysts	4	3	5	5
Avg. Estimate	0.43	0.86	1.86	1.9
Low Estimate	0.34	0.76	1.8	1.85
High Estimate	0.48	0.95	1.91	2.02
Year Ago EPS	0.11	1.94	1.97	1.86

Revenue Estimate				
	Current Qtr. (Jun 2021)	Next Qtr. (Sep 2021)	Current Year (2021)	Next Year (2022)
No. of Analysts	2	1	2	2
Avg. Estimate	202.09M	252M	802.9M	827.65M
Low Estimate	187M	252M	795.8M	802M
High Estimate	217.18M	252M	810M	853.3M
Year Ago Sales	175.48M	286.6M	794.31M	802.9M
Sales Growth (year/est)	15.20%	-12.10%	1.10%	3.10%

Earnings History				
	6/29/2020	9/29/2020	12/30/2020	3/30/2021
EPS Est.	0.59	1.11	0.5	-0.02
EPS Actual	0.11	1.94	0.31	-0.06
Difference	-0.48	0.83	-0.19	-0.04
Surprise %	-81.40%	74.80%	-38.00%	-200.00%

EPS Trend				
	Current Qtr. (Jun 2021)	Next Qtr. (Sep 2021)	Current Year (2021)	Next Year (2022)
Current Estimate	0.43	0.86	1.86	1.9
7 Days Ago	0.43	0.86	1.86	1.9
30 Days Ago	0.43	0.99	1.77	1.86
60 Days Ago	0.43	0.96	1.77	1.86
90 Days Ago	0.43	0.96	1.77	1.86

EPS Revisions				
	Current Qtr. (Jun 2021)	Next Qtr. (Sep 2021)	Current Year (2021)	Next Year (2022)
Up Last 7 Days	N/A	N/A	N/A	N/A



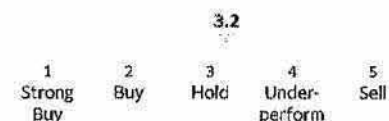
People Also Watch

Symbol	Last Price	Change	% Change
AWR	93.85	+1.64	+1.78%
American States Water Company			
SJW	70.61	+1.28	+1.85%
SJW Group			
MSEX	112.52	+3.11	+2.84%
Middlesex Water Company			
YORW	53.09	+1.52	+2.95%
The York Water Company			
ARTNA	39.47	+0.06	+0.15%
Artesian Resources Corporation			

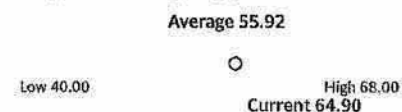
Recommendation Trends >

Finance Home	Watchlists	My Portfolio	Screeners	Yahoo Finance Plus	Markets	News	y/finance+	Try it free
Up Last 30 Days		N/A		N/A	3	3	<div><div>6</div><div>6</div><div>1</div><div>6</div></div>	Strong Buy
Down Last 7 Days		N/A		N/A	N/A	N/A	<div><div>4</div><div>1</div><div>6</div><div>6</div></div>	Buy
Down Last 30 Days		N/A		N/A	N/A	N/A	<div><div>2</div><div>1</div><div>6</div><div>6</div></div>	Hold
							<div><div>1</div><div>6</div><div>6</div><div>6</div></div>	Underperform
							<div><div>1</div><div>6</div><div>6</div><div>6</div></div>	Sell
Growth Estimates		CWT	Industry	Sector(s)	S&P 500		<div><div>Jun</div><div>Jul</div><div>Aug</div><div>Sep</div></div>	
Current Qtr.		290.90%	N/A	N/A	N/A			
Next Qtr.		-55.70%	N/A	N/A	N/A			
Current Year		-5.60%	N/A	N/A	N/A			
Next Year		2.20%	N/A	N/A	N/A			
Next 5 Years (per annum)		11.70%	N/A	N/A	N/A			
Past 5 Years (per annum)		21.05%	N/A	N/A	N/A			

Recommendation Rating >



Analyst Price Targets (6) >



Upgrades & Downgrades >

Downgrade	Seaport Global: Neutral to Sell	4/16/2021
Downgrade	Wells Fargo: Equal-Weight to Underweight	3/4/2021
Initiated	Seaport Global: to Neutral	5/20/2020
Maintains	Wells Fargo: to Equal-Weight	5/1/2020
Upgrade	Janney Capital: Neutral to Buy	5/1/2020
Downgrade	Wells Fargo: Market Perform to Underperform	3/27/2019

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Middlesex Water Company (MSEX)

NasdaqGS - NasdaqGS Real Time Price. Currency in USD

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Visitors trend 2W ↑ 10W ↑ 9M ↑

112.52 +3.11 (+2.84%) **112.52** 0.00 (0.00%)

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Earnings Estimate				
	Current Qtr. (Jun 2021)	Next Qtr. (Sep 2021)	Current Year (2021)	Next Year (2022)
No. of Analysts	2	2	2	2
Avg. Estimate	0.58	0.79	2.3	2.5
Low Estimate	0.58	0.78	2.27	2.5
High Estimate	0.59	0.81	2.33	2.51
Year Ago EPS	0.55	0.72	2.18	2.3

Revenue Estimate				
	Current Qtr. (Jun 2021)	Next Qtr. (Sep 2021)	Current Year (2021)	Next Year (2022)
No. of Analysts	1	1	2	2
Avg. Estimate	36M	41M	149.8M	160.95M
Low Estimate	36M	41M	146M	153M
High Estimate	36M	41M	153.6M	168.9M
Year Ago Sales	35.28M	39.92M	141.59M	149.8M
Sales Growth (year/est)	2.00%	2.70%	5.80%	7.40%

Earnings History				
	6/29/2020	9/29/2020	12/30/2020	3/30/2021
EPS Est.	0.51	0.7	0.42	0.46
EPS Actual	0.55	0.72	0.47	0.39
Difference	0.04	0.02	0.05	-0.07
Surprise %	7.80%	2.90%	11.90%	-15.20%

EPS Trend				
	Current Qtr. (Jun 2021)	Next Qtr. (Sep 2021)	Current Year (2021)	Next Year (2022)
Current Estimate	0.58	0.79	2.3	2.5
7 Days Ago	0.58	0.79	2.3	2.5
30 Days Ago	0.58	0.8	2.28	2.49
60 Days Ago	0.58	0.8	2.28	2.49
90 Days Ago	0.58	0.77	2.24	2.39

EPS Revisions				
	Current Qtr. (Jun 2021)	Next Qtr. (Sep 2021)	Current Year (2021)	Next Year (2022)
Up Last 7 Days	N/A	N/A	N/A	N/A

Currency in USD

#1 Electric Vehicle Stock Pick for 2021

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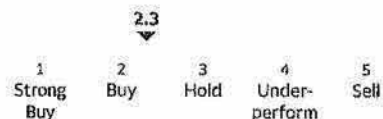
People Also Watch

Symbol	Last Price	Change	% Change
SJW	70.61	+1.28	+1.85%
SJW Group			
ARTNA	39.47	+0.06	+0.15%
Artesian Resources Corporation			
YORW	53.09	+1.52	+2.95%
The York Water Company			
CWT	64.90	+1.35	+2.12%
California Water Service Group			
AWR	93.85	+1.64	+1.78%
American States Water Company			

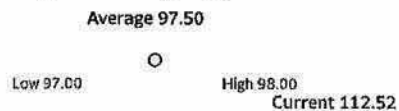
Recommendation Trends >

Finance Home	Watchlists	My Portfolio	Screeners	Yahoo Finance Plus	Markets	News	y/finance+	Try It free
Up Last 30 Days		N/A	N/A	2	2	3	3	<div>Strong Buy</div> <div>Buy</div> <div>Hold</div> <div>Underperform</div> <div>Sell</div>
Down Last 7 Days		N/A	N/A	N/A	N/A	2	1	
Down Last 30 Days		N/A	N/A	N/A	N/A	1	1	
						1	1	
Growth Estimates		MSEX	Industry	Sector(s)	S&P 500	<div>Jun</div> <div>Jul</div> <div>Aug</div> <div>Sep</div>		
Current Qtr.		5.50%	N/A	N/A	N/A	Recommendation Rating >		
Next Qtr.		9.70%	N/A	N/A	N/A	2.3		
Current Year		5.50%	N/A	N/A	N/A	1 2 3 4 5		
Next Year		8.70%	N/A	N/A	N/A	Strong Buy Buy Hold Under-perform Sell		
Next 5 Years (per annum)		2.70%	N/A	N/A	N/A	Analyst Price Targets (2) >		
Past 5 Years (per annum)		13.51%	N/A	N/A	N/A	Average 97.50		
						Low 97.00 High 98.00		
						Current 112.52		

Recommendation Rating >



Analyst Price Targets (2) >



Upgrades & Downgrades >

Downgrade	Janney Montgomery Scott: Buy to Neutral	4/14/2021
Upgrade	Janney Capital: Neutral to Buy	3/2/2021
Initiated	Baird: to Outperform	12/4/2019
Upgrade	Janney Capital: Neutral to Buy	5/8/2019
Upgrade	Janney Capital: Neutral to Buy	11/5/2018
Downgrade	Janney Capital: Buy to Neutral	5/9/2018

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NYSE - Nasdaq Real Time Price. Currency in USD

[☆ Add to watchlist](#)[Visitors trend](#) 2W ↓ 10W ↑ 9M ↑[Quote Lookup](#)**70.61** +1.28 (+1.85%) **70.61** +0.01 (0.02%)

At close: 4:00PM EDT

After hours: 04:09PM EDT

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	Current Qtr. (Jun 2021)	Next Qtr. (Sep 2021)	Current Year (2021)	Next Year (2022)
No. of Analysts	6	4	6	6
Avg. Estimate	0.64	0.73	1.92	2.46
Low Estimate	0.59	0.63	1.88	2.34
High Estimate	0.7	0.79	1.96	2.55
Year Ago EPS	0.69	0.91	2.14	1.92

Currency in USD

Revenue Estimate

	Current Qtr. (Jun 2021)	Next Qtr. (Sep 2021)	Current Year (2021)	Next Year (2022)
No. of Analysts	3	3	5	5
Avg. Estimate	164.15M	186.95M	621.84M	644.54M
Low Estimate	150M	167M	570M	590M
High Estimate	191.46M	223.86M	780M	808M
Year Ago Sales	N/A	157.2M	564.53M	621.84M
Sales Growth (year/est)	N/A	18.90%	10.20%	3.70%

Earnings History

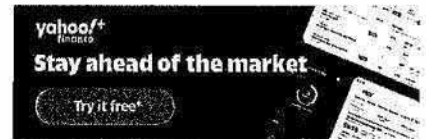
	6/29/2020	9/29/2020	12/30/2020	3/30/2021
EPS Est.	0.68	0.89	0.35	0.16
EPS Actual	0.69	0.91	0.46	0.09
Difference	0.01	0.02	0.11	-0.07
Surprise %	1.50%	2.20%	31.40%	-43.80%

EPS Trend

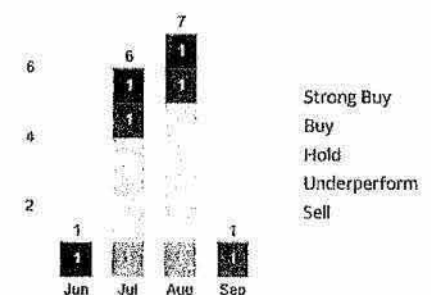
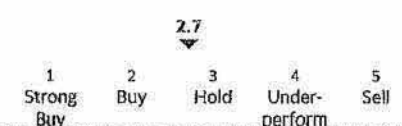
	Current Qtr. (Jun 2021)	Next Qtr. (Sep 2021)	Current Year (2021)	Next Year (2022)
Current Estimate	0.64	0.73	1.92	2.46
7 Days Ago	0.64	0.73	1.92	2.46
30 Days Ago	0.64	0.78	1.95	2.49
60 Days Ago	0.65	0.83	2.04	2.5
90 Days Ago	0.65	0.83	2.04	2.5

EPS Revisions

	Current Qtr. (Jun 2021)	Next Qtr. (Sep 2021)	Current Year (2021)	Next Year (2022)
Up Last 7 Days	N/A	N/A	N/A	N/A

**People Also Watch**

Symbol	Last Price	Change	% Change
CWT	64.90	+1.35	+2.12%
California Water Service Group			
MSEX	112.52	+3.11	+2.84%
Middlesex Water Company			
AWR	93.85	+1.64	+1.78%
American States Water Company			
ARTNA	39.47	+0.06	+0.15%
Artesian Resources Corporation			
YORW	53.09	+1.52	+2.95%
The York Water Company			

Recommendation Trends**Recommendation Rating**

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Up Last 30 Days		N/A	N/A	N/A	N/A		Low 60.00	High 92.00
Down Last 7 Days		N/A	N/A	N/A	N/A		Current 70.61	
Down Last 30 Days		N/A	N/A	N/A	N/A		Upgrades & Downgrades >	
Growth Estimates		SJW	Industry	Sector(s)	S&P 500	Initiated	Barclays: to Equal-Weight 7/15/2021	
Current Qtr.		-7.20%	N/A	N/A	N/A	Downgrade	Wells Fargo: Equal-Weight to Underweight 1/5/2021	
Next Qtr.		-19.80%	N/A	N/A	N/A	Downgrade	Wells Fargo: Overweight to Equal-Weight 8/11/2020	
Current Year		-10.30%	N/A	N/A	N/A	Initiated	Seaport Global: to Neutral 5/20/2020	
Next Year		28.10%	N/A	N/A	N/A	Maintains	Wells Fargo: to Overweight 5/5/2020	
Next 5 Years (per annum)		7.00%	N/A	N/A	N/A	Initiated	RBC Capital: to Outperform 4/24/2020	
Past 5 Years (per annum)		-5.79%	N/A	N/A	N/A			

More Upgrades & Downgrades

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The York Water Company (YORW)

NasdaqGS - NasdaqGS Real Time Price. Currency in USD

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53.09 +1.52 (+2.95%) **53.09** 0.00 (0.00%)

At close: 4:00PM EDT

After hours: 04:00PM EDT

Quote Lookup

Summary

Company Outlook

Chart

Conversations

Statistics

Historical Data

Profile

Financials

Analysis

Options

Holders

Sustainability

		Currency in USD			
Earnings Estimate		Current Qtr. (Jun 2021)	Next Qtr. (Sep 2021)	Current Year (2021)	Next Year (2022)
No. of Analysts		0	1	2	2
Avg. Estimate		0	0.39	1.3	1.33
Low Estimate		0	0.39	1.3	1.32
High Estimate		0	0.39	1.3	1.35
Year Ago EPS		0.32	0.36	1.27	1.3

		Current Qtr. (Jun 2021)	Next Qtr. (Sep 2021)	Current Year (2021)	Next Year (2022)
Revenue Estimate					
No. of Analysts		1	1	1	1
Avg. Estimate		14M	15M	54.9M	56.1M
Low Estimate		14M	15M	54.9M	56.1M
High Estimate		14M	15M	54.9M	56.1M
Year Ago Sales		13.32M	14.26M	53.85M	54.9M
Sales Growth (year/est)		5.10%	5.20%	1.90%	2.20%

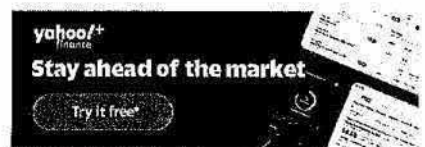
		5/29/2020	9/29/2020	12/30/2020	3/30/2021
Earnings History					
EPS Est.		0.28	0.34	0.26	0.3
EPS Actual		0.32	0.36	0.28	0.28
Difference		0.04	0.02	0.02	-0.02
Surprise %		14.30%	5.90%	7.70%	-6.70%

		Current Qtr. (Jun 2021)	Next Qtr. (Sep 2021)	Current Year (2021)	Next Year (2022)
EPS Trend					
Current Estimate		0	0.39	1.3	1.33
7 Days Ago		0.33	0.39	1.3	1.33
30 Days Ago		0.33	0.39	1.29	1.34
60 Days Ago		0.33	0.39	1.29	1.34
90 Days Ago		0.33	0.39	1.29	1.34

		Current Qtr. (Jun 2021)	Next Qtr. (Sep 2021)	Current Year (2021)	Next Year (2022)
EPS Revisions					
Up Last 7 Days		N/A	N/A	N/A	N/A

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People Also Watch

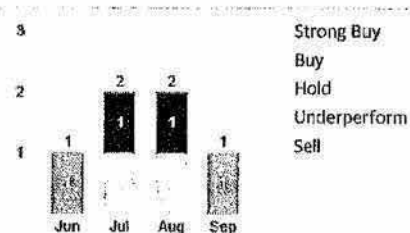
Symbol	Last Price	Change	% Change
MSEX	112.52	+3.11	+2.84%
Middlesex Water Company			
ARTNA	39.47	+0.06	+0.15%
Artesian Resources Corporation			
SJW	70.61	+1.28	+1.85%
SJW Group			
CWT	64.90	+1.35	+2.12%
California Water Service Group			
AWR	93.85	+1.64	+1.78%
American States Water Company			

Recommendation Trends >

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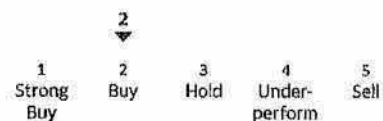
Up Last 30 Days	N/A	N/A	1	N/A
Down Last 7 Days	N/A	N/A	N/A	N/A
Down Last 30 Days	N/A	N/A	N/A	N/A

Growth Estimates	YORW	Industry	Sector(s)	S&P 500
Current Qtr.	N/A	N/A	N/A	N/A
Next Qtr.	8.30%	N/A	N/A	N/A
Current Year	2.40%	N/A	N/A	N/A
Next Year	2.30%	N/A	N/A	N/A
Next 5 Years (per annum)	4.90%	N/A	N/A	N/A
Past 5 Years (per annum)	4.20%	N/A	N/A	N/A



Strong Buy
Buy
Hold
Underperform
Sell

Recommendation Rating >



Analyst Price Targets (1) >



Upgrades & Downgrades >

Downgrade	Janney Capital: Buy to Neutral	3/13/2019
Initiated	Janney Capital: to Buy	1/18/2019
Downgrade	Hilliard Lyons: Neutral to Underperform	4/22/2016
Maintains	Baird: to Neutral	3/9/2016
Maintains	Baird: to Neutral	3/18/2015
Upgrade	Hilliard Lyons: Underperform to Neutral	3/12/2015

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SCHEDULES

**RUCO PROPOSED
CAPITAL STRUCTURE & WEIGHTED AVERAGE COST OF CAPITAL**

EPCOR Water Arizona, Inc. - San Tan Water & Wastewater Districts - Combined							
Line No	Description	[A] Company Proposed Capital Structure	[B] RUCO Adjustments	[C] RUCO Adjusted Capital Structure	[D] Capital Ratio	[E] Cost Rate	[F] Weighted Cost
1	Long-Term Debt	\$ 1,439,107	\$ 708,950	\$ 2,148,057	42.31%	4.35%	1.84%
2	Common Equity	\$ (422,334)	\$ 3,351,226	\$ 2,928,892	57.69%	9.28%	5.35%
3	TOTAL CAPITALIZATION	\$ 1,016,773	\$ 4,060,176	\$ 5,076,949	100.00%		7.19%

[A] : Company Supplemental Schedule D-1 - dollar values reflect combined test year-end balances for San Tan Water and Wastewater.
[B] : [C] - [A]
[C] : Company Supplemental Schedule D-1 - dollar values reflect combined End of Projected Year balances for San Tan Water and Wastewater.
[D] : Capital ratio based on values shown in Column [C].
[E] : Company Schedule D-2 (Page 2 of 2), and RUCO Schedule JAC-2.
[F] : [D] * [E]

Cost of Common Equity

Line No.		Common Equity Cost Rate		
		Indicated Cost of Common Equity	Weight Factor	Indicated Weighted Cost
1	Discounted Cash Flow Model ("DCF")	Schedule JAC - 3	50.00%	4.48%
2	Capital Asset Pricing Model ("CAPM")	Schedule JAC - 4	10.00%	0.77%
3	Comparable Earnings Model ("CE")	Schedule JAC - 5	40.00%	4.03%
4	Sample Average Indicated Cost of Common Equity		8.91%	
5	RUCO Recommended Cost of Common Equity			9.28%

[Lines 1 - 3]: From Schedules JAC-3, JAC-4 and JAC-5

[Lines 4 - 5]: See Testimony

PROXY GROUP -- DIVIDEND YIELD

Line		(A)	(B)	(C)	(D)	(E)
No	Proxy Group Companies	DPS	June 2021 - August 2021			Yield
			High	Low	Average	
1	American States Water Co.	\$1.34	\$92.76	\$78.46	\$85.61	1.57%
2	American Water Works Co., Inc.	\$2.41	\$185.24	\$153.33	\$169.29	1.42%
3	Essential Utilities, Inc.	\$1.00	\$51.42	\$45.67	\$48.55	2.07%
4	Artesian Resources Corp.	\$1.04	\$42.00	\$35.90	\$38.95	2.68%
5	California Water Service Gp.	\$0.92	\$65.99	\$55.21	\$60.60	1.52%
6	Middlesex Water	\$1.09	\$112.99	\$80.48	\$96.74	1.13%
7	SJW Group	\$1.36	\$70.88	\$62.83	\$66.86	2.03%
8	York Water Company	\$0.75	\$52.97	\$44.32	\$48.65	1.54%
9	Average					1.74%

References:

Column (A) - Value Line Investment Survey (July 9, 2021)

(Reflects annualization of most recent quarterly dividend)

Columns (B), (C), and (D) - Yahoo Finance

<http://finance.yahoo.com>

PROXY GROUP -- PER SHARE GROWTH RATES

Line No	Proxy Group Companies	5-Year Compound Average Annual Historical Growth, 2015-2019				5-Year Compound Average Annual Projected Growth, 2018-2024			
		EPS	DPS	BVPS	Average	EPS	DPS	BVPS	Average
1	American States Water Co.	5.5%	7.5%	5.0%	6.0%	6.5%	9.5%	5.5%	7.2%
2	American Water Works Co.	8.0%	11.5%	4.5%	8.0%	8.5%	8.5%	5.0%	7.3%
3	Essential Utilities, Inc.	N/A	7.5%	11.5%	9.5%	10.0%	7.5%	6.5%	8.0%
4	Artesian Resources Corp.	8.5%	3.0%	4.0%	5.2%	N/A	N/A	N/A	N/A
5	California Water Service Gp.	8.0%	4.0%	5.0%	5.7%	6.5%	6.5%	3.0%	5.3%
6	Middlesex Water	12.5%	5.0%	8.0%	8.5%	4.5%	5.5%	2.5%	4.2%
7	SJW Group	N/A	10.0%	12.5%	11.3%	13.0%	6.0%	4.5%	7.8%
8	York Water Company	5.5%	4.0%	4.5%	4.7%	6.5%	6.0%	4.0%	5.5%
9	Average				7.34%				6.48%

Reference:
Value Line Investment Survey (July 9, 2021)

PROXY GROUP -- GROWTH RATES - RETAINED TO COMMON EQUITY

Line No	Proxy Group Companies	(A) 2016	(B) 2017	(C) 2018	(D) 2019	(E) 2020	Average	2021	2022	2024-26	Average
1	American Staes Water Co.	5.3%	6.2%	4.5%	6.9%	6.1%	5.8%	6.0%	5.5%	4.5%	5.3%
2	American Water Works Co., Inc.	4.0%	2.5%	4.2%	4.4%	5.0%	4.0%	5.0%	5.5%	4.5%	5.0%
3	Essential Utilities, Inc.	5.6%	5.1%	2.1%	0.9%	1.1%	3.0%	3.0%	3.0%	3.0%	3.0%
4	Artesian Resources Corp.	3.4%	3.7%	3.6%	3.6%	4.4%	3.7%	N/A	N/A	N/A	N/A
5	California Water Service Gp.	2.4%	4.7%	4.0%	3.2%	6.0%	4.1%	4.0%	5.5%	5.5%	5.0%
6	Middlesex Water	4.3%	3.8%	7.0%	5.4%	5.8%	5.3%	5.5%	6.0%	6.5%	6.0%
7	SJW Group	8.6%	8.2%	1.8%	0.5%	2.7%	4.4%	2.0%	3.5%	4.5%	3.3%
8	York Water Company	3.4%	4.0%	3.8%	4.0%	5.0%	4.0%	5.0%	4.5%	5.0%	4.8%
9	Average						4.28%				4.64%

Source: Value Line Investment Survey (July 9, 2021)

PROXY GROUP -- DCF ANALYSIS										
Line No	Proxy Group Companies	(A) Current Dividend Yield (D ₀ /P ₀)	(B) Historic Retention Growth	(C) Projected Retention Growth	(D) Historical Per Share Growth Rates	(E) Projected Per Share Growth Rates	(F) Yahoo! Fin. Projected 6-Year EPS Growth	(G) Average Dividend Growth	(H) Expected Dividend Yield (D ₁ /P ₀)	(I) DCF Rates
1	American States Water Co.	1.6%	5.8%	5.3%	6.0%	7.2%	6.30%	6.1%	1.6%	7.7%
2	American Water Works Co., Inc.	1.4%	4.0%	5.0%	8.0%	7.3%	8.60%	6.6%	1.5%	8.1%
3	Essential Utilities, Inc.	2.1%	3.0%	3.0%	9.5%	8.0%	6.40%	6.0%	2.1%	8.1%
4	Artesian Resources	2.7%	3.7%	N/A	5.2%	N/A	4.00%	4.3%	2.7%	7.0%
5	California Water Service Group	1.5%	4.1%	5.0%	5.7%	5.3%	11.70%	8.4%	1.8%	7.9%
6	Middlesex Water	1.1%	5.3%	6.0%	8.5%	4.2%	2.70%	5.3%	1.2%	6.5%
7	SJW Group	2.0%	4.4%	3.3%	11.3%	7.8%	7.00%	6.8%	2.1%	8.9%
8	York Water Company	1.5%	4.0%	4.8%	4.7%	5.5%	4.90%	4.8%	1.8%	6.4%
9	Mean	1.74%	4.28%	4.64%	7.34%	6.48%	6.45%	5.78%	1.79%	7.57%
10	Median	1.55%	4.05%	5.00%	7.00%	7.17%	6.35%	6.05%	1.60%	7.83%
11	Composite-Mean		6.07%	6.44%	9.14%	8.27%	8.24%	7.57%		
12	Composite-Median		5.65%	6.60%	8.60%	8.76%	7.95%	7.64%		

References:

Column [A] : Schedule JAC - 3, page 3 of 4

Column [B] : Schedule JAC - 3, page 4 of 4

Column [C] : Schedule JAC - 3, page 4 of 4

Column [D] and Column [E] : Schedule JAC - 3, page 2 of 4

Column [F] : See Yahoo Finance, Growth Estimates - Next 5 Years - See Attachment 7

Downloaded: September 1, 2021

Column [G] : Average Columns [B] through [F]

Column [H] : Column [A] * (1 + (Column [G] * (0.5)))

Column [I] : Column [G] + Column [H]

Note: Low and high values for each base (mean / composite mean, and median / composite median) are highlighted.

CAPITAL ASSET PRICING MODEL -- PROXY COMPANY COST RATES

Line No	Proxy Group Companies	[A] Risk Free Rate	[B] BETA	[C] Risk Premium	[D] Beta X Risk Premium	[E] CAPM Rates	
1	American States Water Co.	1.93%	0.65 X	7.43%	=	4.83%	6.76%
2	American Water Works Co., Inc.	1.93%	0.85 X	7.43%	=	6.32%	8.25%
3	Essential Utilities, Inc.	1.93%	0.95 X	7.43%	=	7.06%	8.99%
4	Artesian Resources Corp.	1.93%	0.75 X	7.43%	=	5.57%	7.50%
5	California Water Service Gp.	1.93%	0.65 X	7.43%	=	4.83%	6.76%
6	Middlesex Water	1.93%	0.70 X	7.43%	=	5.20%	7.13%
7	SJW Group	1.93%	0.80 X	7.43%	=	5.94%	7.88%
8	York Water Company	1.93%	0.85 X	7.43%	=	6.32%	8.25%

89	Average					<u>7.69%</u>
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10	Median					<u>7.69%</u>
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20 year Treasury Bonds

11	June, 2021	2.09%
12	July, 2021	1.87%
13	August, 2021	<u>1.83%</u>
14	Average	1.93%

15	RUCO Risk-Free Rate	<u>1.93%</u>
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REFERENCES

Column [A]: United States Treasury Department - Attachment 2

<https://www.treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=yieldYear&year=2021>

Column [B]: Value Line Investment Survey (July 9, 2021) - See Attachment 1

Column [C]: JAC - 4, Page 2 of 2

Column [D]: [B] * [C]

Column [E]: [A] + [D]

STANDARD & POOR'S 500 COMPOSITE
20-YEAR U.S. TREASURY BOND YIELDS
RISK PREMIUMS

Line		[A]	[B]	[C]	[D]	[E]
No.	Year	EPS	BVPS	ROE	20-YEAR T-BOND	RISK PREMIUM
1	1977		\$79.07			
2	1978	\$12.33	\$85.35	15.00%	7.90%	7.10%
3	1979	\$14.86	\$94.27	16.55%	8.86%	7.69%
4	1980	\$14.82	\$102.48	15.06%	9.97%	5.09%
5	1981	\$15.36	\$109.43	14.50%	11.55%	2.95%
6	1982	\$12.64	\$112.46	11.39%	13.50%	-2.11%
7	1983	\$14.03	\$116.93	12.23%	10.38%	1.85%
8	1984	\$16.64	\$122.47	13.90%	11.74%	2.16%
9	1985	\$14.61	\$125.20	11.80%	11.25%	0.55%
10	1986	\$14.48	\$126.82	11.49%	8.98%	2.51%
11	1987	\$17.50	\$134.07	13.42%	7.92%	5.50%
12	1988	\$23.75	\$141.32	17.25%	8.97%	8.28%
13	1989	\$22.87	\$147.26	15.85%	8.81%	7.04%
14	1990	\$21.73	\$153.01	14.47%	8.19%	6.28%
15	1991	\$16.29	\$158.85	10.45%	8.22%	2.23%
16	1992	\$18.86	\$149.74	12.22%	7.26%	4.96%
17	1993	\$21.89	\$180.88	13.24%	7.17%	6.07%
18	1994	\$30.60	\$193.06	16.37%	6.59%	9.78%
19	1995	\$33.96	\$216.51	16.58%	7.60%	8.98%
20	1996	\$38.73	\$237.08	17.08%	6.18%	10.90%
21	1997	\$39.72	\$249.52	16.33%	6.64%	9.69%
22	1998	\$37.71	\$266.40	14.62%	5.83%	8.79%
23	1999	\$48.17	\$290.68	17.29%	5.57%	11.72%
24	2000	\$50.00	\$325.80	16.22%	6.50%	9.72%
25	2001	\$24.70	\$338.37	7.44%	5.53%	1.91%
26	2002	\$27.59	\$321.72	8.36%	5.59%	2.77%
27	2003	\$48.73	\$367.17	14.15%	4.80%	9.35%
28	2004	\$58.55	\$414.75	14.98%	5.02%	9.96%
29	2005	\$69.93	\$453.06	16.12%	4.69%	11.43%
30	2006	\$81.51	\$504.39	17.03%	4.68%	12.35%
31	2007	\$66.18	\$529.59	12.80%	4.86%	7.94%
32	2008	\$14.88	\$451.37	3.03%	4.45%	-1.42%
33	2009	\$50.97	\$513.58	10.56%	3.47%	7.09%
34	2010	\$77.35	\$579.14	14.16%	4.25%	9.91%
35	2011	\$86.95	\$613.14	14.59%	3.82%	10.77%
36	2012	\$86.51	\$666.97	13.52%	2.46%	11.06%
37	2013	\$100.20	\$715.84	14.49%	2.88%	11.61%
38	2014	\$102.31	\$726.96	14.18%	3.41%	10.77%
39	2015	\$86.53	\$740.29	11.79%	2.55%	9.24%
40	2016	\$94.55	\$768.98	12.53%	2.30%	10.23%
41	2017	\$109.88	\$807.04	13.94%	2.65%	11.29%
42	2018	\$132.39	\$841.26	16.06%	3.11%	12.95%
43	2019	\$139.47	\$892.65	16.09%	2.40%	13.69%
44	2020	\$94.13	\$937.14	10.29%	1.42%	8.87%
45	Average			13.71%	6.28%	7.43%

[A]: Diluted earnings per share on the S&P 500 Composite Index.

[B]: Book value per share on the S&P 500 Composite Index.

[C]: Average of current- and prior year [B] / current year [A].

[D]: Annual income returns on 20-year U.S. Treasury bonds.

[E]: [C] - [D]

Sources for [A] and [B]:

Standard & Poor's 500 Earnings and Book Value Per Share:

https://ycharts.com/indicators/reports/sp_500_earnings

https://ycharts.com/indicators/sandp_500_book_value_per_share

Source for [D]: Morningstar 2015 Classic Yearbook (Table A-7) and
U.S. Department of the Treasury

<https://www.treasury.gov/Pages/default.aspx>

COMPARABLE EARNINGS ANALYSIS RETURN ON COMMON EQUITY FOR RUCO'S PROXY GROUP OF COMPANIES

Company	Historical ROEs										Projected ROEs				10-Year Historical Average 2011-2020	5-Year Historical Average 2016-2020	5-Year Projected Average 2021-2025	5-Year Combined Historical & Projected Average
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 - 2026				
American States Water Co.	10.3%	11.9%	12.7%	12.0%	13.0%	12.1%	13.1%	11.4%	14.0%	13.5%	13.5%	13.5%	13.0%	13.0%	12.4%	12.8%	13.3%	13.1%
American Water Works	7.2%	8.4%	7.8%	8.7%	9.4%	9.0%	7.9%	9.7%	10.1%	11.0%	11.0%	11.5%	11.0%	11.0%	8.9%	9.5%	11.2%	10.4%
Essential Utilities, Inc.	11.6%	11.0%	13.4%	12.9%	11.7%	12.7%	12.2%	9.6%	6.8%	6.1%	8.0%	8.5%	8.5%	8.5%	10.7%	9.3%	8.3%	8.8%
Artesian Resources Corp.	8.0%	8.3%	6.8%	7.6%	8.5%	9.3%	9.5%	9.3%	9.3%	9.9%	N/A	N/A	N/A	N/A	8.5%	9.5%	N/A	9.5%
California Water Service Group	8.0%	9.0%	7.9%	8.1%	7.0%	7.4%	9.7%	9.0%	8.1%	10.5%	9.5%	11.0%	11.5%	11.5%	8.6%	8.9%	10.7%	9.8%
Middlesex Water	7.5%	7.8%	8.7%	9.3%	9.6%	10.3%	9.9%	13.0%	10.4%	11.1%	11.5%	12.0%	13.0%	13.0%	9.8%	10.9%	12.2%	11.6%
SJW Group	7.9%	8.1%	7.3%	14.4%	9.9%	12.5%	12.8%	4.4%	4.3%	6.7%	6.0%	7.0%	9.0%	9.0%	8.8%	8.1%	7.3%	7.7%
York Water	9.5%	9.3%	9.3%	11.0%	11.5%	10.4%	10.9%	10.6%	10.7%	11.6%	11.5%	11.5%	13.0%	13.0%	10.5%	10.8%	12.0%	11.4%
Mean	8.5%	9.2%	9.2%	10.6%	10.1%	10.5%	10.8%	9.6%	9.1%	10.1%	10.1%	10.7%	11.3%	11.3%	9.8%	10.0%	10.7%	10.28%
Median	8.0%	8.7%	8.3%	10.2%	9.8%	10.4%	10.4%	9.7%	9.7%	10.8%	11.0%	11.5%	11.5%	11.5%	9.3%	9.5%	11.2%	10.08%

Source: Value Line Investment Survey (July 9, 2021).

ECONOMIC INDICATORS

Line No	Year	Real GDP Growth	Industrial Production Growth	Unemployment Rate	Consumer Price Index	Producer Price Index
1975 - 1982 Cycle						
1	1975	-1.1%	-8.9%	8.5%	7.0%	6.6%
2	1976	5.4%	10.8%	7.7%	4.8%	3.7%
3	1977	5.5%	5.9%	7.0%	6.8%	6.9%
4	1978	5.0%	5.7%	6.0%	9.0%	9.2%
5	1979	2.8%	4.4%	5.8%	13.3%	12.8%
6	1980	-0.2%	-1.9%	7.0%	12.4%	11.8%
7	1981	1.8%	1.9%	7.5%	8.9%	7.1%
8	1982	-2.1%	-4.4%	9.5%	3.8%	3.6%
1983 - 1991 Cycle						
9	1983	4.0%	3.7%	9.5%	3.8%	0.6%
10	1984	6.8%	9.3%	7.5%	3.9%	1.7%
11	1985	3.7%	1.7%	7.2%	3.8%	1.8%
12	1986	3.1%	0.9%	7.0%	1.1%	-2.3%
13	1987	2.9%	4.9%	6.2%	4.4%	2.2%
14	1988	3.8%	4.5%	5.5%	4.4%	4.0%
15	1989	3.5%	1.8%	5.3%	4.6%	4.9%
16	1990	1.8%	-0.2%	5.6%	6.1%	5.7%
17	1991	-0.5%	-2.0%	6.8%	3.1%	-0.1%
1992 - 2001 Cycle						
18	1992	3.0%	3.1%	7.5%	2.9%	1.6%
19	1993	2.7%	3.4%	6.9%	2.7%	0.2%
20	1994	4.0%	5.5%	6.1%	2.7%	1.7%
21	1995	3.7%	4.8%	5.6%	2.5%	2.3%
22	1996	4.5%	4.3%	5.4%	3.3%	2.8%
23	1997	4.5%	7.3%	4.9%	1.7%	-1.2%
24	1998	4.2%	5.8%	4.5%	1.6%	0.0%
25	1999	3.7%	4.5%	4.2%	2.7%	2.9%
26	2000	4.1%	4.0%	4.0%	3.4%	3.6%
27	2001	1.1%	-3.4%	4.7%	1.6%	-1.6%
2002 - 2009 Cycle						
28	2002	1.8%	0.2%	5.8%	2.4%	1.2%
29	2003	2.8%	1.2%	6.0%	1.9%	4.0%
30	2004	3.8%	2.3%	5.5%	3.3%	4.2%
31	2005	3.3%	3.2%	5.1%	3.4%	5.4%
32	2006	2.7%	2.2%	4.6%	2.5%	1.1%
33	2007	1.8%	2.5%	4.6%	4.1%	6.2%
34	2008	-0.1%	-3.5%	5.8%	0.1%	-0.9%
35	2009	-2.5%	-11.5%	9.3%	2.7%	4.3%
Current Cycle						
36	2010	2.6%	5.5%	9.6%	1.5%	4.7%
37	2011	1.5%	3.1%	8.9%	3.0%	6.9%
38	2012	2.3%	3.0%	8.1%	1.7%	1.6%
39	2013	1.8%	2.0%	7.4%	1.5%	0.8%
40	2014	2.3%	3.0%	6.2%	0.8%	1.2%
41	2015	2.7%	-1.4%	5.3%	0.7%	-4.3%
42	2016	1.7%	-2.2%	4.9%	2.1%	-1.4%
43	2017	2.3%	1.3%	4.4%	2.1%	3.3%
44	2018	2.9%	3.2%	3.9%	1.9%	3.4%
45	2019	2.3%	-0.8%	3.7%	2.3%	0.4%
46	2020	-3.4%	-7.2%	8.1%	1.4%	-1.5%

Source: Council of Economic Advisors, Economic Indicators, various issues.

<https://www.govinfo.gov/app/collection/econ/2020>

ECONOMIC INDICATORS

Line No	Year	Real GDP* Growth	Industrial Production Growth	Unemployment Rate	Consumer Price Index	Producer Price Index
1	2008					
2	1st Qtr.	-1.8%	1.9%	4.9%	2.8%	9.6%
3	2nd Qtr.	1.3%	0.2%	5.3%	7.6%	14.0%
4	3rd Qtr.	-3.7%	-3.0%	6.0%	2.8%	-0.4%
5	4th Qtr.	-8.9%	6.0%	6.9%	-13.2%	-28.4%
6	2009					
7	1st Qtr.	-5.3%	-11.6%	8.1%	2.4%	-0.4%
8	2nd Qtr.	-0.3%	-12.9%	9.3%	3.2%	9.2%
9	3rd Qtr.	1.4%	-9.3%	9.6%	2.0%	-0.8%
10	4th Qtr.	4.0%	-4.5%	10.0%	2.5%	8.8%
11	2010					
12	1st Qtr.	1.6%	2.7%	9.7%	0.9%	6.5%
13	2nd Qtr.	3.9%	6.5%	9.7%	-1.2%	-2.4%
14	3rd Qtr.	2.8%	6.9%	9.6%	2.8%	4.0%
15	4th Qtr.	2.8%	6.2%	9.6%	2.8%	9.2%
16	2011					
17	1st Qtr.	-1.5%	5.4%	9.0%	4.8%	9.6%
18	2nd Qtr.	2.9%	3.6%	9.0%	3.2%	3.8%
19	3rd Qtr.	0.8%	3.3%	9.1%	2.4%	6.4%
20	4th Qtr.	4.6%	4.0%	8.7%	0.4%	-1.2%
21	2012					
22	1st Qtr.	2.3%	4.5%	8.3%	3.2%	2.0%
23	2nd Qtr.	1.6%	4.7%	8.2%	0.0%	-2.8%
24	3rd Qtr.	2.5%	3.4%	8.1%	4.0%	9.6%
25	4th Qtr.	0.1%	2.8%	7.8%	0.0%	-3.6%
26	2013					
27	1st Qtr.	1.9%	2.5%	7.7%	2.0%	1.2%
28	2nd Qtr.	1.1%	2.0%	7.6%	1.2%	2.4%
29	3rd Qtr.	3.0%	2.6%	7.3%	1.6%	0.0%
30	4th Qtr.	3.8%	3.3%	7.0%	1.2%	0.3%
31	2014					
32	1st Qtr.	-1.2%	3.2%	6.6%	1.6%	0.3%
33	2nd Qtr.	4.0%	4.2%	6.2%	3.6%	0.2%
34	3rd Qtr.	5.0%	4.7%	6.1%	0.0%	0.0%
35	4th Qtr.	2.3%	4.5%	5.7%	-2.8%	-0.8%
36	2015					
37	1st Qtr.	3.2%	3.5%	5.6%	-0.2%	-2.3%
38	2nd Qtr.	2.7%	1.5%	5.4%	0.6%	1.2%
39	3rd Qtr.	1.6%	1.1%	5.2%	0.0%	-1.8%
40	4th Qtr.	0.5%	-0.8%	5.0%	0.2%	-0.9%
41	2016					
42	1st Qtr.	1.5%	-1.7%	4.9%	1.1%	-2.7%
43	2nd Qtr.	2.3%	-1.3%	4.9%	1.0%	-2.2%
44	3rd Qtr.	1.9%	-1.2%	4.9%	1.1%	-1.5%
45	4th Qtr.	1.8%	-0.1%	4.7%	1.8%	0.9%
46	2017					
47	1st Qtr.	1.8%	0.6%	4.7%	2.5%	3.7%
48	2nd Qtr.	3.0%	2.2%	4.3%	1.9%	3.1%
49	3rd Qtr.	2.8%	1.6%	4.3%	1.9%	2.9%
50	4th Qtr.	2.3%	3.5%	4.1%	2.1%	3.6%
51	2018					
52	1st Qtr.	2.2%	3.5%	4.1%	1.7%	3.2%
53	2nd Qtr.	4.2%	3.3%	3.9%	2.3%	3.9%
54	3rd Qtr.	3.4%	4.9%	3.8%	1.3%	3.9%
55	4th Qtr.	2.2%	3.9%	3.8%	1.0%	2.5%
56	2019					
57	1st Qtr.	2.4%	2.9%	3.9%	0.2%	0.8%
58	2nd Qtr.	3.2%	1.1%	3.6%	0.2%	0.8%
59	3rd Qtr.	2.8%	0.2%	3.6%	0.2%	-0.1%
60	4th Qtr.	1.9%	-0.7%	3.5%	0.2%	0.2%
61	2020					
62	1st Qtr.	-5.1%	-1.9%	3.8%	-0.1%	0.2%
63	2nd Qtr.	-31.2%	-15.0%	13.1%	-0.1%	-3.8%
64	3rd Qtr.	33.8%	-6.7%	8.8%	0.4%	-1.6%
65	4th Qtr.	4.5%	-4.2%	6.8%	0.2%	-0.6%
66	2021					
67	1st Qtr.	6.3%	-1.7%	6.2%	0.4%	3.9%
68	2nd Qtr.	6.5%	14.5%	5.9%	0.8%	11.2%
69	3rd Qtr.					
70	4th Qtr.					

*GDP=Gross Domestic Product

Source: Council of Economic Advisors, Economic Indicators, various issues.

INTEREST RATES

Line			US Treasury	US Treasury	Utility	Utility	Utility	Utility
No	Year	Prime	T Bills	T Bonds	Bonds	Bonds	Bonds	Bonds
		Rate	3 Month	10 Year	Aaa	Aa	A	Baa
1	1975	7.86%	5.84%	7.99%	9.03%	9.44%	10.09%	10.96%
2	1976	6.84%	4.99%	7.61%	8.63%	8.92%	9.29%	9.82%
3	1977	6.83%	5.27%	7.42%	8.19%	8.43%	8.61%	9.06%
4	1978	9.06%	7.22%	8.41%	8.87%	9.10%	9.29%	9.62%
5	1979	12.67%	10.04%	9.43%	9.86%	10.22%	10.49%	10.96%
6	1980	15.27%	11.51%	11.43%	12.30%	13.00%	13.34%	13.95%
7	1981	18.89%	14.03%	13.92%	14.64%	15.30%	15.95%	16.60%
8	1982	14.86%	10.69%	13.01%	14.22%	14.79%	15.86%	16.45%
9	1983	10.79%	8.63%	11.10%	12.52%	12.83%	13.66%	14.20%
10	1984	12.04%	9.58%	12.46%	12.72%	13.66%	14.03%	14.53%
11	1985	9.93%	7.48%	10.62%	11.68%	12.06%	12.47%	12.96%
12	1986	8.33%	5.98%	7.67%	8.92%	9.30%	9.58%	10.00%
13	1987	8.21%	5.82%	8.39%	9.52%	9.77%	10.10%	10.53%
14	1988	9.32%	6.69%	8.85%	10.05%	10.26%	10.49%	11.00%
15	1989	10.87%	8.12%	8.49%	9.32%	9.56%	9.77%	9.97%
16	1990	10.01%	7.51%	8.55%	9.45%	9.65%	9.86%	10.06%
17	1991	8.46%	5.42%	7.86%	8.85%	9.09%	9.36%	9.55%
18	1992	6.25%	3.45%	7.01%	8.19%	8.55%	8.69%	8.86%
19	1993	6.00%	3.02%	5.87%	7.29%	7.44%	7.59%	7.91%
20	1994	7.15%	4.29%	7.09%	8.07%	8.21%	8.31%	8.63%
21	1995	8.83%	5.51%	6.57%	7.68%	7.77%	7.89%	8.29%
22	1996	8.27%	5.02%	6.44%	7.48%	7.57%	7.75%	8.16%
23	1997	8.44%	5.07%	6.35%	7.43%	7.54%	7.60%	7.95%
24	1998	8.35%	4.81%	5.26%	6.77%	6.91%	7.04%	7.26%
25	1999	8.00%	4.66%	5.65%	7.21%	7.51%	7.62%	7.88%
26	2000	9.23%	5.85%	6.03%	7.88%	8.06%	8.24%	8.36%
27	2001	6.91%	3.44%	5.02%	7.47%	7.59%	7.78%	8.02%
28	2002	4.67%	1.62%	4.61%	[1]	7.19%	7.37%	8.02%
29	2003	4.12%	1.01%	4.01%		6.40%	6.58%	6.84%
30	2004	4.34%	1.38%	4.27%		6.04%	6.16%	6.40%
31	2005	6.19%	3.16%	4.29%		5.44%	5.65%	5.93%
32	2006	7.96%	4.73%	4.80%		5.84%	6.07%	6.32%
33	2007	8.05%	4.41%	4.63%		5.94%	6.07%	6.33%
34	2008	5.09%	1.48%	3.66%		6.18%	6.53%	7.25%
35	2009	3.25%	0.16%	3.26%		5.75%	6.04%	7.06%
36	2010	3.25%	0.14%	3.22%		5.24%	5.46%	5.96%
37	2011	3.25%	0.06%	2.78%		4.78%	5.04%	5.57%
38	2012	3.25%	0.09%	1.80%		3.83%	4.13%	4.86%
39	2013	3.25%	0.06%	2.35%		4.24%	4.47%	4.98%
40	2014	3.25%	0.03%	2.54%		4.19%	4.28%	4.80%
41	2015	3.27%	0.06%	2.14%		4.00%	4.12%	5.03%
42	2016	3.51%	0.33%	1.84%		3.73%	3.93%	4.68%
43	2017	4.13%	0.94%	2.33%		3.82%	4.00%	4.38%
44	2018	4.96%	1.94%	2.91%		4.09%	4.25%	4.67%
45	2019	5.25%	2.09%	2.14%		3.61%	3.77%	4.19%
46	2020	3.50%	0.37%	0.89%		2.79%	3.02%	3.39%

[1] Note: Moody's has not published Aaa utility bond yields since 2001.

Sources: Council of Economic Advisors, Economic Indicators; Mergent Bond Record; Federal Reserve Bulletin; various issues.

US Treasury

US Treasury

[1] Note: Moody's has not published Aaa utility bond yields since 2001.
Sources: Council of Economic Advisors, Economic Indicators; Merger Bond Record; Federal Reserve Bulletin; various issuers.

STOCK PRICE INDICATORS

Line		S&P	NASDAQ		S&P	S&P
No	Year	Composite	Composite	DJIA	Dividend/Price Ratio	Earnings/Price Ratio
1	1975			802.49	4.31%	9.15%
2	1976			974.92	3.77%	8.90%
3	1977			894.63	4.62%	10.79%
4	1978			820.23	5.28%	12.03%
5	1979			844.40	5.47%	13.46%
6	1980			891.41	5.26%	12.66%
7	1981			932.92	5.20%	11.96%
8	1982			884.36	5.81%	11.60%
9	1983			1,190.34	4.40%	8.03%
10	1984			1,178.48	4.64%	10.02%
11	1985			1,328.23	4.25%	8.12%
12	1986			1,792.76	3.49%	6.09%
13	1987			2,275.99	3.08%	5.48%
14	1988			2,060.82	3.64%	8.01%
15	1989	322.84		2,508.91	3.45%	7.41%
16	1990	334.59		2,678.94	3.61%	6.47%
17	1991	376.18	491.69	2,929.33	3.24%	4.79%
18	1992	415.74	599.26	3,284.29	2.99%	4.22%
19	1993	451.21	715.16	3,522.06	2.78%	4.46%
20	1994	460.42	751.65	3,793.77	2.82%	5.83%
21	1995	541.72	925.19	4,493.76	2.56%	6.09%
22	1996	670.50	1,164.96	5,742.89	2.19%	5.24%
23	1997	873.43	1,469.49	7,441.15	1.77%	4.57%
24	1998	1,085.50	1,794.91	8,625.52	1.49%	3.46%
25	1999	1,327.33	2,728.15	10,464.88	1.25%	3.17%
26	2000	1,427.22	2,783.67	10,734.90	1.15%	3.63%
27	2001	1,194.18	2,035.00	10,189.13	1.32%	2.95%
28	2002	993.94	1,539.73	9,226.43	1.61%	2.92%
29	2003	965.23	1,647.17	8,993.59	1.77%	3.84%
30	2004	1,130.65	1,986.53	10,317.39	1.72%	4.89%
31	2005	1,207.06	2,099.03	10,547.67	1.83%	5.36%
32	2006	1,310.67	2,265.17	11,408.67	1.87%	5.78%
33	2007	1,476.66	2,577.12	13,169.98	1.86%	5.29%
34	2008	1,220.89	2,162.46	11,252.61	2.37%	3.54%
35	2009	946.73	1,841.03	8,876.15	2.40%	1.86%
36	2010	1,139.31	2,347.70	10,662.80	1.97%	6.04%
37	2011	1,268.89	2,680.42	11,966.36	1.99%	6.77%
38	2012	1,379.56	2,965.77	12,967.08	2.24%	6.20%
39	2013	1,642.51	3,537.69	14,999.67	2.14%	5.57%
40	2014	1,930.67	4,374.31	16,773.99	1.94%	5.25%
41	2015	2,061.20	4,943.49	17,590.61	2.05%	4.59%
42	2016	2,092.39	4,982.49	17,908.08	2.18%	4.17%
43	2017	2,448.22	6,231.28	21,741.91	1.97%	4.22%
44	2018	2,744.68	7,419.27	25,045.75	1.90%	4.67%
45	2019	2,912.50	7,936.85	26,378.41	1.93%	4.53%
46	2020	3,218.50	10,192.67	26,906.89		

Source: Council of Economic Advisors, Economic Indicators, various issues.

<https://www.gpo.gov/fdsys/browse/collection.actio>

STOCK PRICE INDICATORS

Line No		S&P Composite	NASDAQ Composite	DJIA	S&P Dividends/Price Ratio	S&P Earnings/Price Ratio
1	2008					
2	1st Qtr.	1,350.19	2,332.91	12,383.86	2.11%	4.55%
3	2nd Qtr.	1,371.65	2,426.26	12,508.59	2.10%	4.05%
4	3rd Qtr.	1,251.94	2,290.87	11,322.40	2.29%	3.94%
5	4th Qtr.	909.80	1,599.64	8,795.61	2.98%	1.65%
6	2009					
7	1st Qtr.	809.31	1,485.14	7,774.06	3.00%	0.86%
8	2nd Qtr.	892.23	1,731.41	8,327.83	2.45%	0.82%
9	3rd Qtr.	996.68	1,985.25	9,229.93	2.16%	1.19%
10	4th Qtr.	1,088.70	2,162.33	10,172.78	1.99%	4.57%
11	2010					
12	1st Qtr.	1,121.60	2,274.88	10,454.42	1.94%	5.21%
13	2nd Qtr.	1,135.25	2,343.40	10,570.54	1.97%	6.51%
14	3rd Qtr.	1,096.39	2,237.97	10,390.24	2.09%	6.30%
15	4th Qtr.	1,204.00	2,534.62	11,236.02	1.95%	6.15%
16	2011					
17	1st Qtr.	1,302.74	2,741.01	12,024.62	1.85%	6.13%
18	2nd Qtr.	1,319.04	2,766.64	12,370.73	1.97%	6.35%
19	3rd Qtr.	1,237.12	2,613.11	11,671.47	2.15%	7.69%
20	4th Qtr.	1,225.65	2,600.91	11,798.65	2.25%	6.91%
21	2012					
22	1st Qtr.	1,347.44	2,902.90	12,839.80	2.12%	6.29%
23	2nd Qtr.	1,350.39	2,928.62	12,765.58	2.30%	6.45%
24	3rd Qtr.	1,402.21	3,029.86	13,118.72	2.27%	6.00%
25	4th Qtr.	1,418.21	3,001.69	13,142.91	2.28%	6.07%
26	2013					
27	1st Qtr.	1,514.41	3,177.10	14,000.30	2.21%	5.59%
28	2nd Qtr.	1,609.77	3,369.49	14,961.28	2.15%	5.66%
29	3rd Qtr.	1,675.31	3,643.63	15,255.25	2.14%	5.65%
30	4th Qtr.	1,770.45	3,960.54	15,751.96	2.06%	5.42%
31	2014					
32	1st Qtr.	1,834.30	4,210.05	16,170.26	2.04%	5.39%
33	2nd Qtr.	1,900.37	4,195.81	16,603.50	2.06%	5.26%
34	3rd Qtr.	1,975.95	4,483.51	16,953.85	2.02%	5.38%
35	4th Qtr.	2,012.04	4,607.88	17,368.36	2.03%	4.97%
36	2015					
37	1st Qtr.	2,063.46	4,821.99	17,806.47	2.02%	4.80%
38	2nd Qtr.	2,102.03	5,017.47	18,007.48	2.05%	4.60%
39	3rd Qtr.	2,026.14	4,921.81	17,065.52	2.16%	4.72%
40	4th Qtr.	2,053.17	5,000.70	17,482.97	2.16%	4.23%
41	2016					
42	1st Qtr.	1,948.32	4,609.47	16,635.76	2.31%	4.20%
43	2nd Qtr.	2,074.99	4,845.55	17,763.85	2.19%	4.14%
44	3rd Qtr.	2,161.36	5,165.06	18,367.92	2.13%	4.11%
45	4th Qtr.	2,184.88	5,309.89	18,864.77	2.13%	4.22%
46	2017					
47	1st Qtr.	2,323.95	5,730.36	20,385.12	2.05%	4.24%
48	2nd Qtr.	2,396.22	6,087.11	20,979.77	2.02%	4.29%
49	3rd Qtr.	2,467.72	6,344.72	21,889.58		4.25%
50	4th Qtr.	2,604.98	6,762.93	23,713.18		4.11%
51	2018					
52	1st Qtr.	2,732.58	7,250.93	25,122.58	1.88%	4.37%
53	2nd Qtr.	2,703.16	7,356.20	24,555.62	1.92%	4.51%
54	3rd Qtr.	2,850.99	7,877.47	25,613.63	1.83%	4.47%
55	4th Qtr.	2,692.00	7,192.48	24,891.19	1.98%	5.28%
56	2019					
57	1st Qtr.	2,722.08	7,346.37	25,161.98	2.00%	4.74%
58	2nd Qtr.	2,882.89	7,874.48	26,102.16	1.93%	4.60%
59	3rd Qtr.	2,958.59	8,068.08	26,682.54	1.92%	4.46%
60	4th Qtr.	3,086.44	8,458.48	27,566.95	1.88%	4.32%
61	2020					
62	1st Qtr.	3,069.30	8,808.14	26,679.05	1.80%	4.50%
63	2nd Qtr.	2,928.75	9,079.35	24,542.40	2.08%	3.20%
64	3rd Qtr.	3,321.62	10,933.61	27,313.53	1.82%	2.92%
65	4th Qtr.	3,554.33	11,949.58	29,092.58		2.51%
66	2021					
67	1st Qtr.					
68	2nd Qtr.					
69	3rd Qtr.					
70	4th Qtr.					

Source: Council of Economic Advisors, Economic Indicators, various issues.
<https://www.gpo.gov/fdsys/browse/collection.action?collectionCode=ECON>
https://ycharts.com/indicators/sp_500_dividend_yield

PROXY GROUP COMMON EQUITY RATIOS

	Company	Historical										5-Year Average 2016-2020	Projected			5-Year Average 2021-2025	Combined Historical & Projected Avg.
		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		2021	2022	2024-25		
1	American States Water Co.	54.8%	57.8%	60.2%	60.9%	58.9%	60.6%	62.0%	59.5%	55.8%	52.9%	58.1%	54.5%	51.5%	46.5%	50.8%	54.5%
2	American Water Works Co., Inc	44.2%	48.1%	47.8%	47.4%	48.2%	47.5%	45.3%	43.6%	41.4%	40.9%	43.7%	41.0%	38.5%	39.0%	39.8%	41.8%
3	Essential Utilities	47.3%	47.3%	51.1%	51.5%	49.7%	51.6%	49.4%	45.8%	58.9%	46.0%	49.9%	46.0%	44.0%	45.0%	45.0%	47.5%
4	Artisan Resources Corp.	61.5%	52.7%	53.6%	54.5%	56.1%	57.6%	58.1%	56.9%	52.6%	54.3%	55.9%	N/A	N/A	N/A	N/A	55.8%
5	California Water Service Group	48.3%	52.2%	58.4%	59.9%	55.6%	55.4%	57.3%	50.7%	49.8%	54.1%	53.5%	55.5%	56.5%	62.0%	58.0%	55.7%
6	Middlesex Water	56.6%	57.4%	58.7%	58.8%	59.8%	61.5%	61.8%	61.6%	58.2%	55.7%	59.8%	57.0%	58.0%	60.0%	58.3%	58.0%
7	SIW Corporation	43.4%	45.0%	48.9%	48.4%	50.2%	49.3%	51.8%	67.3%	40.9%	41.5%	50.2%	46.6%	49.0%	62.0%	52.6%	51.3%
8	York Water Company	52.9%	54.0%	54.9%	55.2%	55.6%	57.4%	57.0%	57.5%	58.7%	53.7%	56.9%	55.5%	57.5%	62.5%	58.5%	57.7%
9	Average	49.8%	51.6%	54.2%	54.6%	54.0%	55.1%	56.3%	55.3%	51.8%	49.9%	53.5%	50.9%	50.9%	53.9%	51.9%	52.9%

Source: Value Line (July 8, 2021)